

TRAVEL AND TOURISM STATISTICS

HEARING

BEFORE THE

SUBCOMMITTEE ON
BUSINESS, TRADE, AND TOURISM

OF THE

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

ACTIVITIES AFFECTING THE DEVELOPMENT OF TRAVEL AND TOURISM
AND NEED FOR A NEW NATIONAL TRAVEL SURVEY

OCTOBER 1, 1986

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TRAVEL AND TOURISM STATISTICS

WEDNESDAY, OCTOBER 1, 1986

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
SUBCOMMITTEE ON BUSINESS, TRADE, AND TOURISM,
Washington, DC.

The subcommittee met, pursuant to notice, at 3:00 p.m., in room SR-253, Russell Senate Office Building, Hon. Larry Pressler (chairman of the subcommittee) presiding.

Staff members assigned to this hearing: Gerri Hall, professional staff member and John Hardy, minority staff counsel.

OPENING STATEMENT BY SENATOR PRESSLER

Senator PRESSLER. We will call this hearing to order. I would thank our witnesses and welcome everyone to this hearing before the Senate Commerce Committee's Subcommittee on Business, Trade and Tourism.

We are here to learn about Federal and private industry data collection activities affecting the development of travel and tourism related statistics and to consider the need for a new National Travel Survey [NTS].

During a 1982 hearing of my Subcommittee on Business, Trade, and Tourism, the late philosopher and futurist, Herman Kahn, testified that travel and tourism is probably the outstanding service industry of the 20th century, the one that is going to surpass all others in size and economic impact.

He emphasized that, in this postindustrial world, we can no longer afford to think of service industries, including travel and tourism, as frivolous. Specifically, he stressed that tourism.

Is a very vital part of the National economic health because it is a big part of the country. It is going to be an even bigger part. But because it is not a life-and-death issue, it tends . . . to be denigrated and simply not worried about enough.

With these words in mind, it is with a sense of frustration that I note that, in 1986, the travel and tourism industry in this country is operating once again in a statistical black box. What is necessary for its illumination is our Nation's reinvestment in gathering accurate and timely data, such as that collected by the National Travel Survey.

The NTS concept was initiated by Congress in 1963 in recognition of the need for government-based, inter-city, inter-state, and inter-regional travel data which would be updated every 5 years in order to give the industry an essential tool for use in the development of travel and tourism programs and policies.

The last year for which we had an accurate picture of what was happening in our fastest growing industry was 1977. Indeed, the 1977 NTS served us well for several years. It was used by almost every public and private organization in virtually every economic analysis, cost-benefit assessment, and feasibility study undertaken in the area of travel and tourism.

Over the course of the decade following the survey, the study was used to uncover important shifts between transportation modes during the energy crisis, to measure emerging marketing trends and to indicate demand for new tourism infrastructure and services.

Perhaps the most important use of the survey was enabling States to decide how to use limited budgets more effectively and efficiently.

In today's dynamic international trade environment, such data have a limited shelf life. The usefulness of the information collected in 1977 was rapidly diminishing by 1982. We attempted at that time to locate funds which would enable the United States Travel and Tourism Administration, USTTA, to request a survey update from the Bureau of the Census, but our efforts were in vain.

The 5-year cycle has come around again and Congress is now finalizing funding for 1987. Given the current budgetary dilemma and the tendency of the Office of Management and Budget, OMB, to belittle the needs of the travel and tourism industry, the possibility of having a 1987 National Travel Survey is passed. It is time to look at the prospects for a 1988 NTS or some other means of gathering adequate tourism statistics.

I would note before we begin, that it is true that all industries seek data upon which to base economic assumptions and plans for development and expansion, but the travel and tourism industry is faced with somewhat unique circumstances.

Almost wholly comprised of small businesses, no single component of the travel industry has available to it the necessary resources to conduct statistical research of the breadth and scope necessary to serve the disparate parts that make up the whole.

Surveys completed by elements of the industry which can afford to undertake them are often too narrow or parochial in focus to be of general use to the industry. Moreover, a traditional irony persists that only the statistics borne out of the research efforts of the U.S. Census Bureau are believed by other Federal agencies to be totally objective, or even legitimate.

In view of these facts, I will be asking our witnesses today to provide me with responses to the following questions: What information relating to travel and tourism is available from Federal Government sources? What private industry and other data sources exist? How would you assess the quality and availability of such information from such sources? What are the existing data gaps? What specific data items are needed for what purposes? Who needs the missing data? What negative impacts have you experienced from having no new National Travel Survey since 1977?

At this time, I would like to call our first witnesses, who is Mr. Roger Whyte, Deputy Under Secretary for Travel and Tourism, U.S. Travel and Tourism Administration, Department of Com-

merce; and Mr. Frederick A. Ruth, Director, Office of Congressional Affairs, Bureau of Census.

Senator Inouye, I know, had wanted to be here and he does have a statement and questions, and I believe Senator Gore is slated to come.

[The statement follows:]

OPENING STATEMENT BY SENATOR INOUE

FEDERAL DATA COLLECTION ACTIVITIES

I wish to commend the distinguished chairman of the subcommittee for scheduling this hearing.

The landmark Report of the National Tourism Resources Review Commission (1973), and the subsequent National Tourism Policy Study (1978), both recognized the necessity for the Federal Government to develop a more extensive and credible tourism research data base.

In testimony before this subcommittee ten years ago, the president of what was then DATO (Bill Toohey), very succinctly stated why it is in the national interest to have adequate tourism data and information. I believe what he said then bears repeating:

"The tourism data base should provide information for use by the public and private sectors in their policy development and planning.

"This information is necessary to make sound business and public policy decisions. For example:

"Vast outlays of capital are required for the acquisition and use of land, both public and private; for construction of the facilities to accommodate and service people on trips away from home; for the purchase of air and land vehicles and sea transports required for the travel of people; and to provide rights-of-way, the highways, the airways, the airports and the waterways and ports required for the operation of the transport mode.

"The use of land and water resources for tourism development raises questions and requires analysis regarding impacts on the environment and the application of related conservation measures.

"If petroleum supplies are short, questions will arise in connection with the control of production and allocation of energy. Tourism as an income-producing activity requires an adequate amount of energy to continue to generate income and employment, and base data measuring travel volumes, characteristics and tourism expenditures are required."

I would hope that during today's hearing we will learn how the agencies of government are implementing the policy of the United States, as expressed in the national tourism policy act:

"Assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and within the United States, in order to facilitate planning in the public and private sectors."

Senator PRESSLER. Mr. Whyte, you may proceed. We will put your entire statement in the record. You may summarize for the record, in the interest of time. It is possible I will be called off to a vote or two, here, but proceed.

STATEMENT OF ROGER WHYTE, DEPUTY UNDER SECRETARY FOR TRAVEL AND TOURISM, U.S. TRAVEL AND TOURISM ADMINISTRATION, DEPARTMENT OF COMMERCE, ACCOMPANIED BY DONALD WYNEGAR, DIRECTOR OF THE OFFICE OF RESEARCH; AND FREDERICK A. RUTH, DIRECTOR, OFFICE OF CONGRESSIONAL AFFAIRS, BUREAU OF CENSUS, ACCOMPANIED BY JAMES AANESTAD, ASSISTANT DIVISION CHIEF OF THE CURRENT WHOLESALE AND SERVICE PROGRAMS, BUSINESS DIVISION

Mr. WHYTE. Thank you, very much, Mr. Chairman. Good afternoon.

I am Roger Whyte, Deputy Under Secretary of the U.S. Travel and Tourism Administration, at the U.S. Department of Commerce.

I am pleased to have the opportunity to testify on the nature of data collection related to travel and tourism undertaken by USTTA. I will submit my entire text for the record, and I would like to introduce, to my right, Mr. Don Wynegar, who is the Director of our Office of Research. During the question and answer period, if there are questions that I am not familiar with, I would like to turn to him.

The subject of this hearing is of particular interest to the USTTA because of the Agency's involvement in this area. One of the primary objectives of USTTA is the gathering, analysis and provision of comprehensive, reliable and timely data on international travel.

The National Tourism Policy Act of 1981, itself, established the priority placed on this issue by the Agency. We feel that the Agency has made significant headway in addressing the needs for more comprehensive and reliable data relating to international tourism, but some gaps and inadequacies remain candidates for subsequent attention.

I would like to begin by outlining the research program in place at the USTTA. The program can be segmented into four main areas.

The first, basic data. Simply put, the Agency does not attempt to produce statistics which can be obtained from other sources. Instead, we must make every effort to secure data from secondary sources. The USTTA obtains such information relating to U.S. international travel from several Federal and non U.S. sources.

First, monthly foreign visitor arrival data are purchased through an inter-agency agreement from the U.S. Immigration and Naturalization Service, based on the INS entry-exit form I-94. This data base provides USTTA, and through it, the industry with baseline measures of the volume and trends of inbound travel to the United States from each country of the world.

Incidentally, based on the data set, it is evident that 1986 is turning out to be an excellent year for inbound tourism, as expected. The overseas visitor market in particular is rebounding strongly. Through the first 7 months of this year, arrivals from overseas countries were 14 percent ahead of the 1985 level; visitors from Europe were up 24 percent.

Second, monthly data on the volume of inbound and outbound air passenger traffic is similarly obtained from the U.S. Department of Transportation. This data base allows USTTA to monitor and report on both the level of foreign air travel by Americans and the changes in market share claimed by United States versus foreign carriers.

These types of hard statistics are important in tracking and assessing the trend in the flow of tourism to and from this country.

Third, The Bureau of Economic Analysis, within the Department of Commerce, provides another important component in the set of secondary data collated and reported by USTTA. Quarterly estimates on the overall U.S. balance of trade in international travel are provided through BEA's data on U.S. international travel receipts and payments.

I might add a note concerning this particular secondary data source. Reflecting the concern the Department has for more comprehensive and reliable data, USTTA and the BEA have entered into a cooperative arrangement which entails BEA relying on another USTTA data base, the in-flight survey, which will be discussed momentarily, to derive its quarterly estimates on U.S. international travel receipts and payments. In essence, BEA has been able to drop its own less reliable survey program which historically provided the basis for these national account estimates and now references the USTTA survey series for this purpose. The end results are better estimates of the economic significance of international tourism to the United States and more efficient use of Federal research resources.

Next, the USTTA obtains quite a lot of valuable statistical data by exchanging information with national tourism offices from other countries. For example, detail data on Canadian travel to the United States and United States travel to Canada are obtained from Statistics Canada. From this source, USTTA has been able to provide the industry, including States and cities, with specific information on the volume, characteristics and spending of Canadian travelers to each State in the country.

Given that Canada provides us with over half of all of our foreign arrivals, and one-quarter of our international tourism receipts, the value of this secondary information is considerable.

Lastly, secondary data on developments in international travel worldwide are annually received from international organizations, such as the World Tourism Organization in Madrid, and the OECD, the Organization for Economic Cooperation and Development in Paris.

This information allows us to chart the overall U.S. share of the global travel market, as well as shifting trends in intra- and inter-regional tourism.

The second major research program area carried out by the USTTA is entitled Market Research. Market Research is original surveying of foreign consumer markets initiated by the USTTA. This type of research provides the Agency and industry users with planning data which guides development of promotional programs, and/or facilitative and receptive services.

Typically, the information gathered in these consumer surveys depict potential travelers, socio-economic characteristics, their travel patterns, and buying behavior, and in some cases, their images or attitudes, preferences and perceptions concerning international destination choices.

These studies provide the basis for target market selection and correct positioning of U.S. tourism product in the most effective, competitive way in foreign tourism markets.

The USTTA in-flight survey of international air travelers is the most notable example of USTTA's market research. Initiated in fiscal year 1982, this survey program gathers essential marketing information from United States and foreign travelers departing from the United States.

International travelers are surveyed each month aboard, randomly, on selected scheduled flights departing the country. Over 30 United States and foreign flag carriers voluntarily participate in

the survey. Separate reports on foreign visitors to the United States and American travelers going abroad are issued on a quarterly basis.

Another exciting USTTA initiative in this area is cosponsored marketing research. USTTA has entered into a cosponsorship arrangement with Tourism Canada for conducting consumer market studies in foreign countries. Both Governments feel that improvements in efficiency and coverage can be realized through such a cooperative approach.

The first series of these cosponsored studies are being carried out in Britain, West Germany, France and Japan in October-November of this year, with results to be released in mid-February 1987.

The third major research program at the USTTA is evaluation research. These studies track and assess the effectiveness and impact of USTTA marketing programs. The main types of marketing program evaluation studies carried out are coupon conversion studies of cooperative print media advertising campaigns, evaluation studies of USTTA consumer information services in selected foreign markets, and evaluation surveys of participants in foreign travel trade shows and Visit USA Training Seminars and Workshops.

Preliminary results of USTTA's coupon conversion studies carried out in fiscal year 1986 have been encouraging. From surveys of consumers responding by coupons from selected USTTA cooperative print media campaigns in five different countries, we have been able not only to assess the relative effectiveness of each campaign, but also identify a significant marginal impact of the USTTA portion of the cooperative advertising.

In fact, a 17-to-1 return on investment ratio was evidenced across five countries.

USTTA feels strongly in the value of evaluation research, not only as a measure and proof of marketing program impact, but as a management tool to guide subsequent allocations of resources between marketing options.

The fourth category of USTTA research programs can be termed special studies, and they basically encompass various research activities falling outside of the previous three areas, but often utilize their output data.

I will quickly summarize three examples. The first is the USTTA study on the economic impact of foreign visitor spending.

Senator PRESSLER. I shall be forced to go and vote, and I will come right back. I will recess the hearing until I return.

[Short recess.]

Senator PRESSLER. We will proceed.

Mr. WHYTE. Thank you, Senator.

The first is the USTTA study on the economic impact of foreign visitor spending. Conducted for the first time in 1984-85, this study assessed the 1983 distribution and impact of foreign visitors expenditures on U.S. national, regional and state economies, including analysis of employment, business receipts and tax revenues generated.

We are now in the process of updating this study to cover 1985 data. The second example of our special studies program is our international travel forecasting model. This is a model designed to

objectively forecast inbound travel to the United States from 22 countries and world regions, based on the outlook for those economic factors which have been found to correlate with travel consumption. USTTA issues three updated forecasts each year based on the model's output with a 2-year forecasting horizon.

The last special USTTA of study that I would like to mention relates specifically to the overall subject of this hearing.

On August 14, 1984, at the 10th session of the Tourism Policy Council, the entire program agenda dealt with Federal activities involving tourism-related data collection and information systems. At this meeting of the Tourism Policy Council, representatives from various Federal agencies gave overviews of their statistical programs relating to travel and tourism in the United States.

The most important outcome of these meetings was the resolution that a comprehensive inventory of such Federal data sources was needed to make the sources known to potential users, to identify data resource capabilities and limitations and to prevent potential duplication of effort.

Subsequently, USTTA commissioned this inventory study and a final report was delivered to the 15th session of the Tourism Policy Council on July 24, 1985.

This report, provided as an exhibit, identified 26 separate Federal agencies maintaining ongoing and/or periodic data programs related to travel and tourism. The report has been widely distributed and we have been fortunate to have it published at no cost to the Federal Government by the U.S. Travel Data Center and the Business Research Division of the Graduate School of Business Administration at the University of Colorado.

This summarizes the research and statistical programs at the USTTA. I would like to emphasize that the composition of this data program has been developed as a direct result of input from numerous users of the Agency's data resources. From analysis of thousands of individual requests over the years, in meetings with regional, State, city, and private-sector industry groups, needs for specific types of data have clearly emerged.

In addition to meeting our own requirements for marketing planning data at the USTTA, the Agency's research program has been designed to be directly responsive to the needs of the industry users.

We were also asked to comment on the impact on USTTA of the absence of the updated data from the National Travel Survey, last conducted by the Bureau of Census in 1977. The loss of the scheduled survey in 1982 and 1987 has not seriously affected our own marketing operations due to the focused orientation of our programs, that is, toward international travel markets.

However, we have had difficulty completing any analysis of the overall composition of travel to individual States, including both domestic and foreign visitation, because of the lack of updated information on domestic travel at the State level of detail.

The sectors of the industry hurt most by the loss of the 1982 and 1987 National Travel Survey data are, of course, those public and private sector organizations dependent on the baseline statistics in their domestic marketing and policy decisionmaking.

While we are not in the position to undertake or sponsor such research ourselves, USTTA certainly supports efforts to develop alternative approaches to generate this vital data.

We remain eager to provide whatever technical support we can.

Mr. Chairman, this completes my testimony and I will be happy to answer any questions.

[The following information was subsequently received for the record:]

QUESTIONS OF SENATOR PRESSLER AND THE ANSWERS

Question. What was USTTA's involvement with earlier National Travel Surveys?

Answer. The USTTA's predecessor, USTS, was intricately involved with the 1977 National Travel Survey, the last to be conducted. USTS jointly helped fund and design the study with the Bureau of the Census and the DOT.

USTS' financial contribution to the 1977 effort was somewhere around \$500,000, I believe.

The agency was able to participate in funding the Survey because these funds were part of a separate appropriation to USTS from the Congress, specifically for the purpose of developing several domestic tourism programs in the period around the Bicentennial year.

Question. If USTTA had the resources, do you feel USTTA's participation in a new NTS would be appropriate?

Answer. Most definitely. We feel that we are very aware of the needs of the industry in this area, and we feel the agency could represent those needs well in the development of such a new program.

Of course, this involvement would be contingent on the availability of resources, both funding and staff, which fall beyond USTTA's current capacities.

One note—We do feel that any consideration of a new NTS should address the need for a survey approximating the size of the 1977 project. A quarterly sample of 24,000 households, as was collected in 1977, would provide state-level data for a significant number of states. Sample sizes smaller than this would not provide this needed state-level detail, and perhaps would not justify the effort and cost to conduct just for national-level data.

Estimated cost to replicate the 1977 NTS (with 24,000 households sampled quarterly): Approximately \$7 million.

Question. Why are inbound statistics important? What are their uses?

Answer. Data on foreign visitor arrivals are important for several reasons:

They provide the baseline measurements of the relative size of individual country markets.

They show changes in the volume of arrivals from each country, over time.

They provide a basis for determining the U.S. share of country travel markets.

They allow tracking of country markets' response to factors which impact on international travel, such as shifts in exchange rates, changes in air fares, major promotions, etc.

They provide a basis for selecting foreign target markets and allocating marketing resources.

Question. How do In-Flight Surveys relate to other inbound statistics? How does BEA use this information?

Answer. While the foreign arrival statistics define the overall size and changes in the level of travel to the U.S., the In-Flight Survey data defines the characteristic of the foreign visitors and their trips to this country. The two data sets therefore complement each other.

The In-Flight Survey data provides information on the demographics of the traveler; his/her multiple U.S. destinations visited; purpose of visit; length of stay; and spending behavior; among other things.

The In-Flight Survey data is developed through a weighting process in which the foreign arrival statistics are used in conjunction with the survey data in order to make the sample data representative of the entire arrival population.

BEA has begun to use the per capita expenditure data which is generated in the In-Flight Survey to estimate the total level of U.S. travel receipts from foreign visitors in this country. We feel this will significantly improve the reliability of the DOC balance of payments accounts.

Question. Are other cosponsored studies with other countries contemplated? Have you assessed the cost reduction that results?

Answer. We intend to continue the cooperative arrangement with Tourism Canada which was initiated this year. We hope to carry out similar cosponsored market surveys in the fall of 1987 in South Korea, Hong Kong, Singapore, India, and Switzerland.

We will also be inviting the Mexican government to join with Tourism Canada and the USTTA in sponsorship of these surveys. We feel that this grouping of the three countries makes sense because of their geography.

In terms of the cost factor, I can say that in order for USTTA to have undertaken the same surveys in the U.K., Germany, France and Japan without the partnership arrangement with Tourism Canada, our costs would have been doubled.

Question. What barriers would private industry encounter if forced to take over USTTA's data collection and research functions?

Answer. Basically, the industry would be unable to generate most of the market research data currently produced by the agency—which is strictly a function of the leverage and objectivity represented by a Federal government body.

For example, we are able to conduct the In-Flight Survey because of the excellent voluntary cooperation we get from numerous U.S. and foreign airlines. That cooperation and trust would not likely be granted any private sector organization, because of the inherent competitive situation in the airline business.

It is doubtful that the private sector could as readily access much of the secondary data which USTTA produces through special interagency and intergovernmental agreements with other Federal and foreign agencies.

QUESTIONS OF SENATOR INOUE AND THE ANSWERS

Question. I believe that the Bureau of the Census does a Consumer Expenditure Survey for the Bureau of Labor Statistics. One section of that survey deals with "trips and vacations." According to the Bureau of the Census, the sample size of that survey would not support data for individual states.

Is that information in that survey of use to your agency, or the travel industry?

Have you ever discussed with the Bureau of the Census and the Bureau of Labor Statistics the possibility of "piggy-backing" on the Consumer Expenditure Survey, and obtaining other data which would be useful to USTTA or the industry?

Answer. (a) Since the BLS survey deals with "trips and vacations" taken by U.S. citizens, it is not directly useful to USTTA (since the agency's programs are oriented strictly to international tourism). It is of limited value to the industry because of its relatively small sample size, lack of timeliness of data release, and restrictions concerning access to residence/destination information.

(b) We have discussed the Consumer Expenditure Survey with BLS officials on several occasions, including a July 10, 1985 meeting in which industry needs were represented by an official from the Travel and Tourism Government Affairs Council. The same issue which has repeatedly dogged discussions concerning expansion of such surveys or fielding of a separate National Travel Survey came up at that meeting—who would fund such an effort—without resolution.

Question. The National Tourism Policy Act directs United States Travel and Tourism Administration to "develop and administer a comprehensive program relating to travel industry information, data service, training and education, and technical assistance.

Has USTTA developed such a program?

If so, please describe it, and how it is implemented.

Answer. The USTTA has developed such a program. The research program/data service is described in the testimony submitted for this hearing. It should be noted that USTTA's programs in this area have been oriented toward international travel (and not domestic travel) due to the specific limitations set forth by the agency's authorizing legislation and its appropriations which restrict activities to those relating to international tourism. The other areas referred to in this directive, "training and education, and technical assistance," are similarly focused and are carried out through the agency's programs which involve direct contact with and assistance to the foreign travel trade and sectors of the U.S. travel industry marketing their products and services abroad.

Question. The National Tourism Policy Study held extensive meetings throughout the country with men and women who are the tourism industry. The purpose of those meetings was to ascertain what needs the industry had which could and should be met by the Federal Government. One need commonly cited was:

"The Federal Government needs to develop a series of national economic indicators for the tourism industry similar to the Commerce Department's series of lead-

ing economic indicators for gross national product, industrial production and the like. In addition, the Federal Government should develop a standard industrial classification code [SIC] for the tourism and travel industry."

What has United States Travel and Tourism Administration done to meet this need?

Answer. Again, USTTA's research/data program is restricted legislatively to an international tourism orientation. We have, however, been actively involved in representing the needs of the industry in discussions with the Bureau of the Census and the Office of Management and Budget concerning revisions to the SIC codes needed to more accurately analyze U.S. travel industry sectors. An OMB decision concerning the SIC code revisions is reportedly due any day.

Question. The National Tourism Policy Study held extensive meetings throughout the country with men and women who are the tourism industry. The purpose of those meetings was to ascertain what needs the industry had which could and should be met by the Federal Government. One need commonly cited was:

"Research is needed by the Federal government to establish accurately the relatively inexpensive costs of job creation in the tourism industry and the industry's potential as a generator of jobs for less skilled and minority workers."

What has USTTA done to meet this need?

Answer. USTTA commissioned a study to assess the distribution and economic impact of foreign visitor spending in the Nation and individual regions and states in 1983. This analysis included estimates of jobs directly generated/supported by the influx of foreign visitor spending. The study showed that one U.S. job was supported for each \$41,900 in receipts from international guests. An update of this study is planned in FY 1987.

Question. The National Tourism Policy Study held extensive meetings throughout the country with men and women who are the tourism industry. The purpose of those meetings was to ascertain what needs the industry had which could and should be met by the Federal Government. One need commonly cited was:

"The Federal Government needs to assist States and local areas in research activities aimed at developing data necessary for the performance of cost-benefit and project feasibility planning studies for local and regional tourism development projects."

What has United States Travel and Tourism Administration done to meet this need?

Answer. Guidelines for developing such cost-benefit data and feasibility planning studies are detailed in the new (1986) travel development planning manual, *Tourism USA*. This manual was developed and published as a jointly-sponsored effort of USTTA, the Economic Development Administration, and the University of Missouri. It was funded through an EDA grant to the University of Missouri.

Question. The United States Travel Service helped fund the National Travel Survey in 1977. I realize no survey has been conducted since then. One was planned in 1982, but DOT could not provide its share of the funding.

Has USTTA ever offered to share the cost with the Bureau of the Census; and if not, what is the reason?

Answer. USTTA's appropriations restrict expenditures to activities related to international travel development. By law, agency funds cannot be expended on such a domestic program. A separate appropriation would be necessary for such sponsorship.

Question. (a) Is there now in existence a state and national tourism data base which would help all agencies of government make sound decisions on matters tourism?

(b) If not, should USTTA develop one in view of its responsibilities under the National Tourism Policy Act?

Answer. (a) USTTA's data base allows sound decisions on matters concerning international tourism. However, for issues concerning domestic travel, a comprehensive data base is lacking.

(b) Without separately-appropriated resources (staff and budget), USTTA could not legally pursue such a course. With such resources, yes, the agency should develop a domestic travel data base.

Senator PRESSLER. Thank you. I shall call on Mr. Frederick A. Ruth, Director, Office of Congressional Affairs, Bureau of the Census. I will remind each witness to try to summarize in about 5 minutes. We will put your entire statement in the record.

At about 4:20, they are going to start a series of rollcall votes so we are under the gun a little bit.

We welcome you here, and we look forward to hearing your statement.

Mr. RUTH. Thank you, Senator. With me on my left is James Aanenstad, who is Assistant Division Chief of the Current Wholesale and Service Program, Business Division of the Census Bureau.

I am pleased to be here today to present the Census Bureau's testimony concerning travel and tourism-related statistics. In my testimony today, I will discuss Census Bureau data that relate to travel and tourism research, how we determine the content of censuses and surveys and the involvement of the travel and tourism industry in the development of our programs.

I will discuss these issues for each program area separately, and I will conclude with the discussion of the National Travel Survey, as you mentioned, last conducted in 1977.

The Bureau of the Census is a general purpose statistical agency. We collect and disseminate data to meet a wide variety of information needs of both the public and private sectors.

The Census Bureau collects data from households, businesses, and various levels of government. Our primary programs are the decennial census of population and housing, the economic, agriculture, and Government censuses conducted every 5 years, and intercensal demographic, or household, and economic surveys.

These programs produce statistics used in calculations of the gross national product and other measures of economic activity, for analysis of specific industries and of broad public policy issues, and in private sector planning decisions.

In developing Census Bureau programs, we balance the needs of data users against the burden placed on the respondents, or data suppliers. Data users often want more information than can reasonably be collected from respondents. For each of our programs, we attempt to meet the priority needs of the data users without placing an undue burden on respondents. The specific methods we use to achieve this balance differ slightly from program to program.

In planning the economic censuses and surveys, the Bureau consults with trade, business, and professional associations, individual business firms, unions, census advisory committees and other Government agencies regarding questions to be asked and desired formats for publishing results.

In accordance with Federal law, we conduct the economic censuses every 5 years for years ending in 2 and 7. These censuses cover service industries, retail and wholesale trades, construction, manufacturing, mineral industries, and parts of the transportation section.

By law, regulated industries, which must file a significant amount of data with a regulatory agency, are not covered.

With deregulation, the economic censuses will cover some additional transportation industries in the 1987 economic census. We expect to expand coverage to include finance, insurance, real estate, communications, utilities, and all remaining transportation industries in the 1992 economic census.

The same law and regulations provide for the taking of current sample surveys during intercensal years. We are considering expanded coverage of previously regulated industries in our annual program in 1988.

Representatives of the travel and tourism industry have identified a list of 37 industries, part industries, and industry groups of special interest to their users. Twenty-four are presently covered in the 1982 census of service industries, and census of retail trade. Primarily retail industries, general contractors, and hotel-recreation services.

Three more are planned for the 1987 census and we are considering coverage of the remaining group in the 1992 census.

In general, the most detailed data are published at the national level. To avoid disclosing information about individual firms and to reduce overall publishing costs, fewer statistics appear for States and smaller areas. The amount of data items available varies depending upon the industry.

Of the 37 travel and tourism-identified industries, current retail covers 7 of 9 industries, and our current services annual survey program covers 10 of 14 industries, including arrangement of passenger transportation.

Census Bureau programs have not traditionally covered transportation-related industries. Historically, data for transportation industries were collected by the regulatory agencies. With the advent of deregulation, as I mentioned, however, the Census Bureau was instructed by the Congress in 1983, to identify data gaps, determine priority data user needs, and propose programs to meet major data user needs.

Accordingly, the Census Bureau is considering in the 1987 survey of transportation, recreation, and tourism industry to be conducted in 1988. In my full statement, I have information on the census of population and housing. In the interest of time, I will bypass that section.

Let me turn to the National Travel Survey. Turning specifically to the NTS, the Census Bureau conducted this survey in 1963, 1967, 1972, and 1977, as part of the economic census. Limited funding was included in our budget for this purpose.

In 1977, we received additional funding for what is now the U.S. Travel and Tourism Administration, at that time the U.S. Travel Service, and the Department of Transportation, to enlarge the sample for the NTS, in order to produce more reliable State estimates. This was, by far, the most comprehensive NTS conducted to date.

For the 1982 survey, we were planning on additional funding from the Department of Transportation to support a program about one-third the size of the 1977 effort. But this support was withdrawn late in the planning process.

The Census Bureau decided not to conduct the survey at all, since our own funding would not support a sample large enough to produce reliable State-level data, and there is very little interest in data at the national level only.

The Census Bureau, with congressional approval, then reprogrammed funds which had been designated for the NTS, and the

Bureau has requested, as you indicated, no funding for future NTS'.

That concludes my oral testimony, Mr. Chairman. I will be happy to answer any questions.

[The statement follows:]

STATEMENT OF FREDERICK A. RUTH, DIRECTOR, OFFICE OF CONGRESSIONAL AFFAIRS

Mr. Chairman, I am pleased to be here today to present the Census Bureau's testimony concerning travel and tourism-related statistics.

In my testimony today, I will discuss Census Bureau data that relate to travel and tourism research, how we determine the content of censuses and surveys, and the involvement of the travel and tourism industry in the development of our programs. I will discuss these issues for each program area separately. My testimony will conclude with a discussion of the National Travel Survey, last conducted in 1977.

GENERAL BACKGROUND INFORMATION

The Bureau of the Census is a general purpose statistical agency. We collect and disseminate data to meet a wide variety of information needs of both the public and private sectors.

The Census Bureau collects data from households, businesses, and various levels of government. Our primary programs are: the decennial census of population and housing; the economic, agriculture, and government censuses conducted every five (5) years; and intercensal demographic (or household) and economic surveys. These programs produce statistics used: in calculations of the GNP and other measures of economic activity; for analysis of specific industries and of broad public policy issues; and in private sector planning decisions.

In developing Census Bureau programs, we must balance the needs of data users against the burden placed on the respondents, or data suppliers. Data users often want more information than can reasonably be collected. For each of our programs, we attempt to meet the priority needs of the data users without placing an undue burden on respondents. The specific methods we use to achieve this balance differ slightly from program to program.

The Office of Management and Budget (OMB) reviews all our census and survey forms through the normal forms clearance process. OMB regularly invites public comment on all information collection activities through notices in the Federal Register. In addition, for some programs, such as the decennial census and the Survey of Income and Program Participation (SIPP), OMB chairs interagency groups to advise the Census Bureau on the needs of other Federal agencies.

The Census Bureau initiates a number of outreach activities to keep data users informed of current events regarding survey changes and proposed new surveys. Some of the approaches used by the Census Bureau are listed below:

Extensive notices of program changes and expansions published in the Federal Register.

Employees of the Data User Services Division (DUSD) make themselves available to assist users. This division publishes the Data User News that carries items concerning changes and availability of Census Bureau products and services.

Census Bureau employees make presentations throughout the year at conventions and trade shows. They staff exhibit booths at trade shows, give talks at professional conferences, and distribute thousands of free publications and other information.

The Census Bureau Telephone Contact List identifies specific individuals responsible for detailed programs.

DUSD publishes the Census Catalog that contains descriptions of every publication, computer tape, map, and memo file available.

State Data Centers (SDC's) receive Census Bureau products for their states and make the data available for public use. Many provide special data services. Approximately 1,300 organizations, local agencies or academic centers, belong to the SDC program.

ECONOMIC CENSUSES AND SURVEYS

The Census Bureau maintains an ongoing dialogue with both users and suppliers. In planning the economic censuses and surveys, the Census Bureau consults with trade, business, and professional associations; individual business firms; unions; census advisory committees; and other government agencies regarding questions to be asked and desired formats for publishing results.

In accordance with Federal law, we conduct the economic censuses every 5 years for years ending "2" and "7". These censuses cover service industries, retail and wholesale trades, construction, manufacturing, mineral industries, and parts of the transportation sector. By law, regulated industries that must file a significant amount of data with the regulatory agency are not covered. With deregulation, the economic censuses will expand to cover some additional industries. The same law and regulations provide for the taking of current sample surveys during intercensal years. We are considering expanded coverage of previously regulated industries in our annual program in 1988.

COMPARISON OF TRAVEL AND TOURISM DATA FROM ECONOMIC CENSUSES AND SURVEYS

Economic Census

Representatives of the travel and tourism industry have identified a list of 37 industries, part industries, and industry groups of special interest to their users. Twenty-four (24) are presently covered in the 1982 Census of Service Industries and Census of Retail Trade (primarily retail industries, general contractors, and hotel/recreation services). Three more are planned for the 1987 census (water transportation, arrangers of passenger transportation, and toll facilities). We are considering coverage of the remaining group in the 1992 censuses.

Data from the economic censuses are tabulated in a variety of ways in different series of publications. The geographic area series provides general statistics (number of establishments, dollar volume of business, payroll, and employment) for the United States as a whole, states, metropolitan statistical areas (MSAs), counties, and incorporated places with 2,500 inhabitants or more.

The industry series provides a wide variety of data on such characteristics as: size of establishment and firm; concentration ratios; capital expenditures, assets, and operating expenses; source of sales/revenue; and specialized industry data such as: number of guestrooms available in hotels and motels; and gallons of gasoline sold by gasoline service stations.

Many other specialized industry data items are available. Interested users should check the industry series of reports for a complete description of items.

In general, the most detailed data are published at the National level. To avoid disclosing information about individual firms, and to reduce overall publishing costs, fewer statistics appear for states and smaller areas. The amount of data items available varies depending on the industry. For example, because of the complexity of the industries and the records that manufacturers keep, much more data will be available for those industries than for the retail or service industries.

Special tabulations from universe census data can provide extra data to users with specific needs not met by published data. Special tabulations are produced on a cost-reimbursable basis. Data can be furnished on computer tapes or printouts.

Current Surveys

Of the 37 industries, current retail covers 7 of 9 industries, and the services annual survey program covers 10 of 14 industries, including arrangement of passenger transportation. Census Bureau programs have not traditionally covered transportation related industries because the data were collected by regulatory agencies. With the advent of deregulation, the Census Bureau was instructed by the Congress in 1983 to identify data gaps, determine priority data user needs, and propose programs to meet major data user needs.

Accordingly, the Census Bureau is considering a 1987 Survey of Transportation, Recreation, and Tourism industries to be conducted in 1988. The number of industries to be covered in this annual survey and the number of data items collected are flexible, but we anticipate 5 to 6 industries with 8 to 10 data items each. Travel, recreation, and tourism representatives have been requested to identify priority industries, data items needed, and why new information is needed and how they would be used. The Census Bureau has also requested identification of existing related data sources including why those sources are inadequate.

Current economic surveys collect the following data: Monthly Retail Sales collect sales and inventory data only. Annual Retail Sales collect sales, inventories, accounts receivable and purchases data. Services Annual Survey collects receipts revenues only.

With the exception of the Monthly Retail Trade Survey, all of the data are tabulated at the national level by Standard Industrial Classification (SIC) code. The retail survey in addition to providing national estimates also provides some geographical data by limited SIC. Monthly publications are scheduled for release about

40 days after the period. Annual survey publications are released from July to September of the following year.

Current surveys produce a limited amount of data that do not meet Census Bureau standards of reliability required for publication. Upon written request from data users, the Census Bureau will release these unpublished data for internal company use along with a thorough explanation of their statistical limitations. Respondents to our surveys are entitled to receive the publications free of charge.

THE CENSUS OF POPULATION AND HOUSING

The Census of Population and Housing has been conducted every 10 years since 1790 and the next census will be conducted as of April 1, 1990. The census was mandated by the Constitution as a means of apportioning seats in the House of Representatives. Of course, over the decades, census data have come to serve many other important needs: drawing congressional and legislative district lines, distributing Federal, state, and local funds; and planning to meet social needs. The data are used in a number of business applications, including site location and marketing.

The Census of Population and Housing does not collect any data directly related to travel, but does cover a broad range of socioeconomic data that can be used in travel and tourism research. The 1980 census collected data on a number of subjects related to our population and housing. Questions asked of everyone included age, sex, marital status, relationship/household composition, race, and Spanish-origin. We asked additional population questions of only a sample (about 20 percent) of the population. These included: educational attainment, ancestry, disability, journey to work, occupation, employment status, and income. Questions asked of every housing unit included number of units at address, number of rooms, tenure (whether owned or rented), value of property (if owned), amount of monthly rent, whether the unit was a mobile home or trailer, and whether the unit was for seasonal use only. We also asked about 20 additional questions of a sample of housing units. Those that may be of particular interest to the travel and tourism industry were on the number of automobiles, vans, and trucks in the household.

We have not yet determined the content of the 1990 census questionnaire. By law, we must report to the Congress by April 1, 1987, on the subjects to be included in the census; and by April 1, 1988 on the actual questions. There will be no increase in the number of questions we ask in 1990 and most of the 1980 questions will be repeated, though the wording and format may change. To maintain public support for the census, we must limit ourselves to collecting data required to meet well demonstrated public needs or to fulfill legal mandates or implement government programs.

To make sure that we ask only those questions that meet important public needs, we have held discussions with data users in a number of forums. Local Public Meetings (LPMs), cosponsored by the Census Bureau of local and state organizations, were primary sources of information on the uses of the data at the state and local level. The LPMs afforded a wide variety of users, from the private and public sectors alike, the opportunity to comment on the adequacy of the data and to suggest new or modified data elements for the upcoming census. At least one meeting was held in every state and we completed the last of the 65 meetings in October 1985. Other forums and special outreach efforts—such as conferences dealing with housing issues or the needs for data on race and ethnic groups—also are major sources of suggestions on the content of the 1990 Census of Population and Housing.

For determining Federal data needs, we have sought counsel from other agencies—through 10 Interagency Working Groups and through OMB's Federal Agency Council on the 1990 Census. We asked the Federal agencies to identify all legal mandates or Federal programs requiring certain data. These exchanges have been important channels of communication.

Census Bureau specialists also apply a number of other criteria to determine a set of potential items for inclusion on the questionnaire. These include, for example, whether the data are needed for small geographic areas or small, widely dispersed population subgroups.

We then test proposed new items and modified wording, format, or sequencing for questions that were asked in the previous census. We have conducted several content studies during the past few years. The National Content Test, which we are conducting right now, is our main testing vehicle. This test is designed to provide information on the reliability of the data collected and the ability and willingness of respondents to answer the questions. The mailout for the National Content Test occurred in late March 1986, followup continued through the summer, and we will complete analysis of the results this winter. This will allow us to report to Congress

by April of 1987 on the proposed subjects for the 1990 census. Additional smaller-scale tests will be needed after that as we decide on final question wording.

As in 1990, we plan to publish data products in a variety of media. In 1980, we used summary computer tapes, printed products, and microfilm. We plan to use these media again and also are examining new media—floppy diskettes for microcomputers, online data systems, and compact disks.

CURRENT HOUSEHOLD SURVEYS

The Census Bureau's household survey program consists, for the most part, of surveys which we conduct on a reimbursable basis for other Federal agencies. The major exceptions to this are the Survey of Income and Program Participation (SIPP), the entire funding for which is in the Census Bureau's budget, and the Current Population Survey, which we cosponsor along with the Bureau of Labor Statistics in the Department of Labor. The reason for these reimbursable arrangements is that the sponsoring agencies are generally those that have program responsibilities in a specific area and have identified a need for data in order to carry out their responsibilities. They then turn to the Census Bureau to collect the needed data because of our extensive field staff and expertise in this area.

The content and other design features of SIPP were established by Census Bureau staff working with an interagency committee composed of agencies which have a need for the types of data which this survey would obtain. The Social Science Research Council and the American Statistical Association have also established SIPP advisory groups. We work together with the Bureau of Labor Statistics to determine the content and design of the Current Population Survey. Although we cannot speak for the agencies for which we conduct surveys on a reimbursable basis, most undoubtedly use some form of advisory panel or committee to reflect the needs of other interested parties in their survey planning.

THE NATIONAL TRAVEL SURVEY

Turning specifically to the National Survey (NTS), the Census Bureau conducted this survey in 1963, 1967, 1972, and 1977 as part of the Economic Censuses. Limited funding was included in our budget for this purpose. In 1977, we received additional funding from what is now the U.S. Travel and Tourism Administration (then the U.S. Travel Service) and the Department of Transportation to enlarge the sample for the NTS so as to produce more reliable state estimates. This was, by far, the most comprehensive NTS conducted to date. For the 1982 survey, we were planning on additional funding from the Department of Transportation to support a program about one-third the size of the 1977 effort, but this support was withdrawn late in the planning process. The Census Bureau decided not to conduct the survey at all since our own funding would not support a sample large enough to produce reliable state-level data, and there was little interest in data at the National level only. The Census Bureau, with congressional approval, reprogrammed the funds, which had been designated for the National Travel Survey.

The Bureau of Labor Statistics contracts with the Census Bureau to conduct the Consumer Expenditures Survey. This survey collects detail information on consumer expenditures but very limited data on travel. For example, it obtains no data about business trips; in 1977, business trips accounted for approximately one-third of all trips of over 100 miles. To add questions about such travel would lengthen an already lengthy interview (approximately 2 hours) substantially and could decrease respondent cooperation in the survey. Furthermore, the Consumer Expenditures Survey sample size would not support data for individual states; at most, we could probably obtain reliable estimates for the majority of the eight travel regions only.

Thank you, Mr. Chairman. That concludes my prepared remarks. I would be happy to answer any questions.

[The following information was subsequently received for the record:]

QUESTIONS OF SENATOR PRESSLER AND THE ANSWERS

Question. The Census Bureau has funds directly appropriated to it which are used for conducting ongoing censuses and surveys. Explain who decided that the National Travel Survey should not be a part of the Bureau's regular internally funded studies. What was the decision-making process that caused the NTS to have to be funded by external sources? How much do you estimate it might cost to do the 1977 survey today?

Answer. Through 1977, the National Travel Survey (NTS) was conducted in conjunction with the economic censuses and used funds appropriated for these censuses. There was, however, no portion of these funds designated to be used specifically for the NTS. Furthermore, the level of funding available for the NTS from the economic censuses appropriations was sufficient to support a survey that would provide data at the national level only. For the 1977 survey, these funds were augmented by funds from the Department of Transportation (DOT) and the U.S. Travel Service (now the U.S. Travel and Tourism Administration—USTTA) to enable us to enlarge the sample to provide reliable data for most individual states.

When planning the 1982 NTS, we were told by DOT that it did not have sufficient funds to supplement our budget to the same extent as in 1977, but that it could make available a more limited amount that would permit us to conduct a survey large enough to provide reliable data for the largest states. At the last minute, however, budget constraints forced DOT to withdraw even this amount. The remaining funds (those available from the economic censuses appropriation) would support the provision of national data only and our subsequent discussions with DOT, USTTA, and the U.S. Travel Data Service (representing private industry interests) indicated that there was virtually no interest in data at this level. For these reasons, we cancelled the 1982 NTS. The Census Bureau, with Congressional approval, reprogrammed the funds, that had been designated for the NTS.

The 1977 NTS now would cost approximately \$7 million spread over 3 fiscal years. This would produce estimates of trips to/through a state with a coefficient of variation of 15 percent or less for 31 states. To conduct an NTS of the size we had planned for 1982 would cost approximately \$3 million over 3 years and would produce estimates of trips to/through a state with a coefficient of variation of 15 percent or less for only eight states.

Question. How do Census Bureau staff make sure they have consulted with all of the appropriate representatives of an interest group in preparation for developing something like the Economic Survey on Travel, Recreation and Tourism. Is there a systematic method for consultation with continuing opportunities for feedback and interaction?

Answer. We follow a systematic method for developing annual economic surveys. First, it must be determined if we can legally collect data in the industry being proposed. Since the advent of deregulation and reduced regulatory data collection, many industries that were previously outside the scope of Census Bureau programs are not within its data collection responsibilities to accurately measure major sectors of the economy.

Next, we have to determine that a data gap indeed exist and there is no duplication of existing efforts by others. This is accomplished by consultations with a wide variety of Federal agencies and trade associations. In the planning that follows, we consult with trade, business, and professional associations; the leading business firms in the industry; and Census Advisory Committees and Government agencies. These discussions center around the proposed data to be collected and their availability. Draft report forms are developed and provided to these groups for their comments and suggestions. The Census Bureau actively solicits comments from company accountants and small business managers who actually complete the questionnaires along with data user groups.

Once our plans are formalized, a Notice of Consideration is published in the Federal Register that outlines our plans and seeks additional comments. Before the survey can be initiated, final approval must be obtained from the Office of Management and Budget (OMB). Before OMB approves the survey, the Business Advisory Council on Federal Reports, that is comprised of business representatives from the private sector, reviews our requests and report forms. An annual survey is approved for 1 year at a time. Therefore, next year, before approval is sought, we consult with both the public and private sectors again and incorporate their suggestions as well as any others received since the previous year into the new survey.

Question. I have heard complaints from the travel and tourism industry that they can't obtain information fast enough. How quick is the Census Bureau's turnaround time between data collection and publication of statistics? Is this the shortest turnaround time possible? Could it be improved? What would you need to be able to work more quickly?

Answer 1. Annual Survey Programs. For our service annual surveys, we do not reach acceptable response levels until early May. It is important to note that a very high level of response rates is necessary to produce accurate totals that are considered the official Government figures. Frequently, private organizations are forced to produce quick estimates with minimum response rates that are routinely revised after additional responses are received or official Government figures are released.

(a) In general, the report forms for the annual surveys are mailed during the last week in December, or early January. The instructions request that the respondent complete the questionnaire and return it to our Processing Center in Jeffersonville, Indiana within 20 days. However, numerous respondents will not complete the Census questionnaires until their annual books have been finalized and tax returns completed. Accordingly, one or two mail follow-ups are required during February depending upon the survey. Although this action raises the response level, it is still not satisfactory. Much time is spent in March telephoning the remaining delinquent cases.

(b) In addition, our clerical unit identifies report forms that have failed a reasonability check or edit tolerance. These firms also are contacted by telephone to obtain a corrected figure or to explain the unusual condition. As a result, we do not reach satisfactory response levels of acceptable report forms until early May. A very high level of response is necessary to produce quality data for developing the Gross National Product figures. It is important to note that these are sample surveys. Thus, one firm in the sample represents up to 300 others in the universe.

(c) Once we reach an acceptable response level, the data are tabulated. Analysis of the tabulated totals involves comparison with other related data sources, and internal industry data relationships. Tabulation and analysis operations typically result in further contacts with firms reporting questionable data, correction of the data files, and retabulation.

(d) Although it generally takes about 8 months from the close of the subject year to publication for an annual survey, this represents an improvement over past years. Still, we are continually trying to improve our efforts for earlier publication of data through expanded contacts with late reporters and the use of new technologies and computerization.

(2.) Economic Censuses: A complete census requires a longer collection, processing, and tabulation period than do the smaller sample surveys. The data collection and publication stages of the economic censuses require a considerable period of time for a variety of reasons. The censuses are a comprehensive enumeration of all establishments within the covered industries, and is accomplished by mailing questionnaires to respondents. Businesses are requested to identify their business locations and provide data, often very detailed, for each location.

(a.) This process is begun in January following the year the census covers (i.e., mailout occurred in January 1983 to collect data for the 1982 census year). Thus the 1982 (data year) census could just as easily be referred to as a 1983 (collection year) census.

(b.) The questionnaires request calendar year data. Many of the respondents are still closing out their books, waiting for their accountants to complete their analysis, waiting for their staff to complete IRS tax forms, SEC 10-K forms, and company annual reports to stockholders. While most businesses can return their forms in a short period of time, the largest firms require up to eight months.

(c.) For the smallest businesses, which comprise the majority of establishments covered by the censuses, administrative data from other Federal agencies are used in lieu of sending a census report form. This relieves these businesses of the burden of completing a census form and provides substantial cost benefits to the Government. Since these administrative data come from IRS tax returns, it takes approximately ten months following the census year for the data to be provided to the Census Bureau. Once all the data are obtained by the Bureau, the final analysis and publication can proceed. Because of the very detailed data that are developed (e.g., geographic and industry breakdowns, products, other specialized items), considerable analysis is required. Reports are published on a flow basis as the analysis is completed. It takes approximately two years after the data collection phase to complete the entire publication series.

(d.) The first publications from the Census of Retail Trade and Service Industries are published about 13 months after the data year, and are geographic (not industry) oriented. Thus the first publications contain general industry data for each of the individual states and the nation as a whole. After these publications are released, effort is turned toward analyzing specialized data for the various diverse industries.

The Census Bureau had made strides to shorten the time it takes to release its census reports. For instance, there was an improvement of six months in the time required to release the last report from the 1982 Census of Service Industries compared to the 1977 Census. Improvements in various census operations for the 1987 Census should result in further improvements. It must be recognized, though, that the very nature of the censuses will always result in a relatively lengthy time period before the final report is issued. The large volume of data that must be ob-

tained from different sources and the very detailed data provided in a wide array of publications preclude a very fast release.

The detailed data presented in the census reports provide important information on geographic areas and on industries, products, and services. The purpose of the censuses is to provide this comprehensive set of data about the economy and to identify long-term trends. The censuses also serve as a universe from which samples can be selected. Through these samples, more current or timely data can be developed that identify short-term trends. These periodic surveys (monthly or annual) are an appropriate way to collect data when the geographic or other detail provided from the censuses are not required. The data from these surveys can be made available within a much shorter period of time than those from the censuses.

(3.) National Travel Survey: For the 1977 NTS, it took us a year after the end of data collection to completely edit the data files, finish the estimation (weighting) process, and release the public-use microdata tapes. This was due in part to the complexity of the survey and in part to our chronic shortage of skilled computer programmers. It certainly does not reflect the type of turnaround time that the Census Bureau strives to achieve for surveys of this nature. If we were to conduct the NTS again, we think that we could produce final data files for the public to use within 6 months of the end of data collection, depending upon our staffing situation at that time.

It should be noted that the production of detailed tabulations of the data is a step beyond the generation of a data file, and that the time requirements for this step depend not only upon the availability of programming staff, but on the complexity of the tabulations that are required.

In summary, we could publish economic data much earlier if we received completed report forms from the respondents earlier than we do. Report forms are generally mailed to respondents at the end of December, but as stated above in items 1 and 2, acceptable levels of response are not attained until several months later. Many large firms prefer to file their census report forms after they have completed their tax reports and finalized their book figures.

We have increased the timeliness of our service survey and census publications by more than 15 percent over the past few years. We plan to continue to progress through automation and by implementing new improved processing systems. Major improvements will require more timely reporting by respondents. The following measures have been adopted to encourage respondent cooperation:

Public service advertising campaign by the Advertising Council emphasizing the importance of timely response.

Publicity booklet and brochure for accountants (who complete many of the report forms) and respondents.

Extensive mail and telephone follow-ups of delinquent respondents.

Support of trade and professional associations.

We are optimistic that in coming years as more and more firms acquire automation equipment, our report forms can and will be completed earlier by respondents.

QUESTIONS OF SENATOR INOUE AND THE ANSWERS

Question. All agencies of the federal government are directed by law (National Tourism Policy Act) to assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and within the United States, in order to facilitate planning in the public and private sectors.

What initiatives has the Bureau of the Census undertaken to comply with this law?

Answer. Representatives of the travel and tourism industry have identified a list of about 37 industries, part industries, and industry groups of special interest to their users. The Census Bureau's initiatives to assist in the collection, analysis, and dissemination of tourism related data include the following census and current survey programs:

(1) Current Survey Programs.

(a) Existing Programs: Of the 37 industries, Current Retail Trade Survey covers 7 of 9 industries, and the Service Annual Survey programs cover 10 of 14 industries, including arrangement of passenger transportation, Standard Industrial Classification (SIC) 4722. Census programs have not traditionally covered transportation related industries. Historically, data for transportation industries were collected by regulatory programs.

(b) New Initiatives: With the advent of deregulation, the Census Bureau was instructed by a Congressional Conference Committee to identify data gaps, determine

priority data user needs, and proposed programs to meet major data user needs. Accordingly, the Census Bureau has proposed a 1987 Survey of Transportation, Recreation, and Tourism industries to be conducted in FY 1988. The number of industries to be covered in this annual survey and the number of data items collected are flexible, but we anticipate 5-6 industries with 8 to 10 data items each. The industries eventually selected for coverage in the proposed survey may be new travel, recreation, or tourism industries not included in existing Census Bureau programs, or expanded data collected for industries presently covered in the annual services program where only receipts data are obtained. Final industry coverage will be based on government and private industry data needs and the availability of alternative data sources.

(2) Economic Censuses.

(a) Of the 37 travel and tourism industries, 24 are presently covered in the 1982 Census of Service Industries and Census of Retail Trade. Three more are planned for the 1987 Economic Censuses (motor freight transportation and transportation-related services). We are considering coverage of the remaining group in the 1992 censuses.

(b) The Census Bureau actively participated in the revision of the SIC, which is to become effective in 1987. This revision includes many changes that will improve the quality of economic data on the travel industry. Data from the 1987 Economic Censuses will be published on the new SIC system.

(c) As part of the 1987 Economic Censuses planning process, many government agencies, trade associations, and other users were contacted for the purpose of soliciting comments and recommendations on questions to be asked and publication formats. Among the organizations contacted were: U.S. Department of Transportation, U.S. Travel and Tourism Administration, U.S. Department of Labor, Travel Industry Association of America, U.S. Travel Data Center, American Hotel and Motel Association, Coalition of Service Industries, and International Trade Administration (Department of Commerce).

Question. I believe the U.S. Census Bureau conducts ad hoc surveys at the request of other Government agencies.

Does the requesting agency have to reimburse the Census Bureau for the full cost of a survey it requests?

Has the United States Travel and Tourism Administration ever requested a survey; and if so, did the Census Bureau do it?

Answer. In general, the answer to this question is "Yes." The Census Bureau's appropriation includes funds for many of our continuing surveys and periodic censuses, but does not include discretionary funds that could be used to support survey activities required by the ad hoc data needs of other agencies. If a separate survey is required to meet such needs, the requesting agency must reimburse the Census Bureau for all associated costs. To the extent that a one-time "supplement" to an existing survey or a small addition to a continuing survey will meet these needs, however, the requesting agency must reimburse the Census Bureau for only the incremental costs of collecting and processing the additional data items.

Although the U.S. Travel and Tourism Administration (USTTA) supports the need for data on domestic travel, it has never requested the Census Bureau to conduct such a survey under its (USTTA's) sponsorship. The USTTA (then the U.S. Travel Service) was, however, a cosponsor of the 1977 National Travel Survey, the majority of the funding for which was provided by the Census Bureau and the Department of Transportation.

Question. As I understand it, the objective of the Bureau of the Census economic activities is "mainly to meet national needs." Every five years, I believe, it conducts the service and retail censuses.

How relevant to the travel industry's needs are these two censuses?

Could the United States Travel and Tourism Administration help to make them more relevant?

Answer. The economic censuses are a major source of information on our economy. Basic information on a wide range of industries is developed for the United States as a whole and for states, metropolitan areas, counties, and cities. Industry classifications are based on the SIC, and census reports often provide even greater detail. Specialized data, based on the needs of individual industries, are often provided in special reports. Special tabulations are sometimes done on a cost-reimbursable basis when published data do not meet the needs of a particular user.

A major function of the censuses is to provide for a reliable universe from which representative samples can be drawn. These samples are the basis from which data are developed in our monthly and annual survey programs. They provide a benchmark against the sample survey data that can be compared and enable us to update

the existing sample after each census. Because of these reasons, the censuses are not only important for the data published as part of the census program, but also an essential component of the more frequent sample surveys.

It should be noted that these two censuses are just two components of the economic censuses. A major interest of the travel industry is data on the transportation sector. This sector is covered in the census of transportation industries. Although the scope of this census has been incomplete, our plans are to expand the scope to cover the entire sector in the 1992 Economic Censuses.

The economic censuses, as well as the more frequent current surveys, fill an important need of the travel industry. They provide a large body of data on the industries themselves (such as number of establishments, receipts and sales, payroll, employment, sources of receipts, products, and so forth). They do not answer all the needs of the travel industry nor will they ever be able to completely. Other types of surveys also are needed.

The USTTA can provide assistance to the Census Bureau for the purpose of making the censuses more relevant. Its expertise in the workings of the travel industry and awareness of its data needs can be especially useful as we further expand our programs. The specific ways in which it could provide assistance include: publicizing the need to provide the Census Bureau the data in a timely manner, providing recommendations for the purpose of expanding the scope of the censuses, suggesting content for individual census report forms, and helping plan publication formats.

Question. You have testified that, "The Census Bureau maintains an ongoing dialogue with both users and suppliers. In planning the economic censuses and surveys, the Census Bureau consults with trade, business, and professional associations; individual business firms; unions; census advisory committees; and other government agencies regarding questions to be asked and desired formats for publishing results."

After that ongoing dialogue, does OMB still review the questions you propose to ask, and the formats for publishing results? In other words, does OMB have the final say in this highly technical area?

Answer. The Census Bureau has the primary responsibility in determining data items to be collected to fill data gaps without undue reporting burden on respondents. This includes research on alternative data sources and data quality to meet national statistical requirements. The OMB ensures that this overall review was conducted in a thorough manner.

Formats for publishing the results are the Census Bureau's responsibility and are determined based on ensuring individual respondent confidentiality, meeting national data needs, and funding resources.

Question. You testified that OMB reviews all of the Bureau's census and survey forms through the normal clearance process.

What is that process, and what is the purpose of OMB's review?

Answer. The process of the OMB survey review is to ensure proper documentation on the following conditions for each census and survey.

Need for the data, including the legal requirement or mandate.

How will the data be used, by whom, and for what purposes?

Use of improved information technology to reduce reporting burden.

Efforts that identified duplicate data collection activities.

Why similar existing data cannot be used to meet the need?

How will reporting burden be minimized on small businesses?

Consequences to Federal program or policy activities if data collection were to be conducted less frequently.

Ensure data collection is in agreement with Paperwork Reduction Act.

Describe consultations with persons outside the agency.

Describe confidentiality provisions.

Justify any sensitive questions.

Provide estimates of annualized cost to the Government and respondents.

Provide estimate of respondent burden hours required to complete the questionnaires.

Describe processing tabulation and publication plans, including time schedules.

In addition, five questions on statistical methods must be addressed. They include sample selection method, data collection procedures, methods to maximize response rates, descriptions of statistical testing, and providing information on consultants and data collection individuals who will process the data.

The Office of Management and Budget's purpose is to ensure the above conditions are met with emphasis on avoiding duplication and reducing the paperwork burden on respondents while maintaining an adequate level of quality statistics.

Question. You have said that the Census Bureau is considering a 1987 Survey of Transportation, Recreation, and Tourism industries to be conducted in 1988.

Would the sample size used for this survey support data for individual states; if not, how useful would it be to the industry?

Answer. The proposed 1987 Survey of Transportation, Recreation, and Tourism Industries is part of the Census Bureau's overall program of expanded statistics for the growing services sector of the economy. Numerous growth industries have little or no annual measurement of the volume of activity at the national level. Accordingly, the number 1 priority is to measure the national activity level (for example, revenues) for key industries, followed by financial and operations data for selected individual industries. The Census Bureau anticipates covering 5 or 6 industries with 8-10 data items each.

To provide reliable state level information, the sample size would have to be significantly increased; that would allow for only 1 or 2 industries to be covered. Reliable national level estimates will be useful to the industry where no data previously existed. Existing private industry geographic modeling programs distribute national data to the state level for useful analysis and planning purposes.

Broad based service industry groups have strongly endorsed minimum level national coverage for more industries before geographic coverage of limited industries is considered.

Question. Federal law requires that an Economic Census be conducted every five years.

The National Travel Survey, last conducted in 1977, was part of the Economic Census.

Does the law require that a National Travel Survey be part of the Economic Census?

Answer. The law does not specify that a National Travel Survey be conducted. The law does set broad boundaries of coverage and leaves the specifics to be determined by the Secretary of Commerce. Title 13, United States Code, Chapter 5, Subchapter I, Section 131, states:

"The Secretary shall take, compile, and publish censuses of manufacturers, of mineral industries, and of other businesses, including the distributive trades, service establishments and transportation (exclusive of means of transportation for which statistics are required by law to be filed with, and are compiled and published by, a designated regulatory body), in the year . . ."

Chapter 1, Subchapter I, Sections 4 and 5, authorizes the Secretary to issue rules, prepare questionnaires, and determine inquiries provided for in Title 13. Also, he may delegate the performance of such duties to such officers and employees of the Department of Commerce as he may designate.

Question. Ten years ago, the American Hotel and Motel Association testified on the information needs of the hotel and motel industry. Among other things, the A.H. & M.A. said:

Because the census is only conducted every 4 or 5 years it is outdated long before its release to the public. A carefully selected sample survey should be conducted each year, placing reasonable emphasis on rapid analysis and early publication.

There has been a significant lack of consistency in key information reported by the Bureau of Census from one year to another, particularly 1967 versus 1972. In several respects, this has rendered meaningless both trend analysis and comparability of statistics.

Did the Census Bureau ever adopt any of these recommendations?

Economic census data can be considered outdated before their release to the public when the data user's interest is to evaluate immediate conditions. Current sample survey data are much more timely. Six years ago, we conducted a Monthly Selected Services Receipts Survey, which included SICs 701.3—Hotels, motels, tourist courts, camps, and trailering parks. These monthly data were both seasonally adjusted and unadjusted and were available about 40 days after the end of the data month. Thus, annual data were obtained by summing the 12 monthly figures that were available by mid-February of each year. A few years ago this survey was discontinued for budgetary reasons and replaced with the Service Annual Survey (SAS). At the time the SAS was initiated, similar annual survey estimates for retail and wholesale trades were available about 10 or 11 months after the data year. The SAS significantly improved on this timing and estimates are now available about 7 or 8 months after the data year.

One of the Census Bureau's goals is to provide the most consistency possible for key information from one census to the next. This is not always possible for varied reasons. There were some significant changes in the way data were collected, tabu-

lated, and published between the 1967 and 1972 Census of Service Industries that included:

An SIC Revision was implemented in 1972, which affected the scope of the hotel and motel industry. In addition, a kind-of-business subcategory for seasonal hotels was eliminated leaving four census subcategories for the industry instead of five. Since 1972, the industry definitions have remained consistent and no changes to the SIC or to census definitions for this industry group are planned for the 1987 census.

Several specialized data items were published only for selected subcategories of the industry in 1967, making it difficult or impossible to develop estimates for the entire industry. Beginning in 1972, the census reports published tables showing special inquiry data for the entire industry, wherever applicable.

In 1976, special inquiry data were published on an "as reported" basis. Beginning in 1972, data were "expanded" to represent the entire universe (including nonreporters).

Because the changes implemented in the 1972 census have become standard procedures for subsequent censuses, the problem with lack of consistency cited between 1967 and 1972 has not been repeated. It should be noted that there have been changes in the number and content of the special inquiries included on the report forms from census to census, primarily due to recommendations from data users.

In regard to the National Travel Survey, we have tried to retain as much comparability as possible over the years, but this often becomes difficult in the face of changing data needs. Our plans for the 1982 National Travel Survey, which was cancelled due to budget constraints, had been to keep the content virtually identical to that of the 1977 survey, although the sample size would be smaller and reliable data would not be available for as many states.

Question. Ten years ago, the American Hotel and Motel Association testified that there are several important statistics which currently are not provided in the census; and the following information should be clearly set forth from the census:

Total number of lodging units in the United States, including summaries by geographic region, State, property size, and the type of facility;

Total number of lodging guests, categorized according to the above classifications;

Total industry sales by type; that is, lodging, food, beverage, and so on, summarized by the same classification;

Occupancy levels and average rates per occupied room, presented according to the same classifications.

Did the Census Bureau ever act on either of these recommendations?

Answer. The Census Bureau has a continuing dialogue with staff from the American Hotel and Motel Association and values their advice and support for Census Bureau programs. The Census Bureau acted on the specific recommendations as follows:

(A) Total number of lodging units in the United States, including summaries by geographic regions, state, property size, and type of facility—Data on total number of lodging units were developed and published in the 1977 census for the United States, states, and selected metropolitan areas. Data were provided for the four census subcategories of the hotel and motel industry. Also, data were published on number of lodging units by property size for the United States. The 1982 Census published these data in a similar manner, except for the state level summaries that were provided to interested users as unpublished data. Data on type of facility were not collected due to the ambiguity of the question.

(B) Total number of lodging guests categorized according to the above classifications—An inquiry on total number of guests was not added to the census report form. No further request for these data has been received in the last 10 years. The Census Bureau has considered it a low priority item.

(C) Total industry sales by type (for example, lodging and food) summarized by the same classification—Data on major sources of receipts were published in 1977 for the United States, states, and selected metropolitan areas by industry subcategory. These data were provided by property size. The 1982 census published major sources of receipts for the United States and selected metropolitan areas by industry subcategory with a state level table available on an unpublished basis.

(D) Occupancy levels and average rates per occupied room summarized by the same classifications—Data on average rate per occupied room were published in 1977 for the United States and states by industry subcategory. Data on percentage of occupancy were published for the United States, states, and selected metropolitan areas by industry subcategory and by property size. The inquiry used to develop these data was dropped from the 1982 census form based on a recommendation from the American Hotel and Motel Association.

Senator PRESSLER. Thank you, very much. I have these questions for Roger Whyte, and some additional questions I will be asking for the record. There are some questions from the minority that will be asked, for the record.

What involvement, Mr. Whyte, has the USTTA had in the development of earlier National Travel Surveys? How did USTTA justify its participation, given its mandate to promote international tourism to the United States?

Mr. WHYTE. Senator, the USTTA's predecessor, the U.S. Travel Service, was intricately involved with the 1977 Travel Survey, the last to be conducted. The USTS jointly helped fund and design the study with the Bureau of the Census and DOT. USTS financial contribution to the 1977 effort were somewhere around \$500,000, I believe. The Agency was able to participate in funding the survey because these funds are a separate appropriation to USTS from the Congress, specifically for the purposes of developing several domestic tourism programs in the period around the Bicentennial Year.

Senator PRESSLER. If USTTA had the resources available to do so, do you feel the Agency's participation in the development of a new NTS would be appropriate?

Mr. WHYTE. Most definitely. We feel that we are very aware of the needs of the industry in this area, and we feel the Agency could represent those needs well in the development of such a new program.

Senator PRESSLER. What are the inbound statistics used for, actually? How do in-flight surveys relate to other inbound statistics?

Mr. WHYTE. Senator, again, our foreign visitor arrivals are important for several reasons. They provide baseline measures of the relative size of individual country markets, they show changes in the volume of arrivals from each country over time. They provide a basis for determining the U.S. share of the country travel markets. They also allow tracking of country markets' responses to factors which impact on international travel, such as shifts in exchange rates, changes in air fares, major promotions, et cetera. They also provide the basis for selecting foreign target markets in allocating marketing resources.

Senator PRESSLER. What barriers would private industry encounter if forced to take over USTTA's data collection and research functions, which would occur, under the administration's proposal to phase out USTTA? Would this mean that those functions would not be performed, or would they be transferred to another agency?

Mr. WHYTE. Basically, the industry would be unable to generate most of the market research data currently produced by the Agency, which is strictly a function of the leverage and objectivity represented by a Federal Government body.

For example, we are able to conduct the in-flight survey because of the excellent voluntary cooperation we get from numerous U.S. and foreign flag carriers. That cooperation and trust would not likely be granted a private sector organization because of the inherent competitiveness and situation in the airline business.

Senator PRESSLER. Mr. Ruth, the Census Bureau has funds directly appropriated to it which are used for conducting ongoing censuses and surveys. Explain who decided that the National Travel

Survey should not be a part of the Bureau's regular internally funded studies?

What was the decisionmaking process that caused the NTS to have to be funded by external sources? How much do you estimate it might cost to do a 1977 type survey today?

Let's take one of those questions at time. It is hard to remember them all. First, explain who decided that the National Travel Survey should not be a part of the Bureau's regular internally funded studies?

Mr. RUTH. As I stated earlier, Senator, we are a general purpose statistical agency. We collect data on information that is requested of us, to carry out various programs under Federal laws, and other activities. We also, for the most part, are funded by other agencies. We have very little internal funding for surveys that we conduct on our own.

Senator PRESSLER. But who decided that? Just from the point of view of public administration, or individually. Who decides what is covered?

Mr. RUTH. I will provide that for the record, Senator.

Senator PRESSLER. Pardon? You do not know that answer, or what?

Mr. RUTH. No. As to the specific decisionmaking, I will just pass and provide it for the record.

Senator PRESSLER. Please do. Now what was the decisionmaking process that caused the NTS to have to be funded by external sources?

Mr. RUTH. Again, that is—almost—related to your first question in that most of our programs are funded by other Federal agencies, or people that request information from the Bureau.

Senator PRESSLER. The Office of Management and Budget, you say in your testimony, reviews all of our census and survey forms through the normal forms clearance process. OMB regularly invites public comment on all information collection agencies through notices in the Federal Register.

In addition, for some programs, such as the decennial census, and the survey of incoming program participation, OMB chairs interagency groups to advise the Census Bureau on the needs of other Federal agencies.

So did it come from OMB, or was it internal?

Mr. RUTH. All of our activities, of course, are reviewed by OMB, as they are for all Federal agencies. But the decision being that we did not get additional funding from the Department of Transportation that we needed to carry on what we felt would be a worthwhile sample. We felt that the information we would be able to collect on our own with the budget that we would have set aside for this particular size survey would not be worthwhile to the industry.

Senator PRESSLER. How much do you estimate it might cost to do a 1977-type survey today?

Mr. RUTH. Using the same size sample, approximately 25,000 households, that cost would be about \$7 million today.

Senator PRESSLER. I am going to have to keep moving. I will submit a number of questions for the record, and questions for the minority. I thank the witnesses and I am going to call the next group forward.

The witnesses are Mr. Richard Walsh, Director, Office of Economics, Office of the Assistant Secretary for Policy and International Affairs, Department of Transportation; and Mr. Ken Hornback, Chief, Statistical Unit, Denver Service Center, National Park Service.

Mr. WALSH. we will put your entire statement in the record, and I hope we can hear you before I must vote. I would appreciate it if you would hit the high points only.

STATEMENT OF RICHARD WALSH, DIRECTOR, OFFICE OF ECONOMICS, OFFICE OF THE ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY GEORGE WIGGERS, CHIEF STATISTICIAN; AND KEN HORNBACK, CHIEF, STATISTICAL UNIT, DENVER SERVICE CENTER, NATIONAL PARK SERVICE, ACCOMPANIED BY PRISCILLA BAKER, DIRECTOR

Mr. WALSH. Mr. Chairman, we appreciate the opportunity to appear today before your committee to discuss the Department of Transportation's interest in the National Travel Survey [NTS] and the Nationwide Personal Transportation Survey [NPTS]. I am accompanied by Mr. George Wiggers, who is the chief statistician in my office.

While the information provided in these surveys is related, and for our purposes supplement one another, the historical development has been quite different. From the beginning, the NTS has been a Bureau of the Census sponsored survey, which it funded and conducted in 1963, 1967, and 1972.

In 1977, the Department of Transportation supplemented the census funding in order to expand the number of households in the sample, and thereby, allow a more detailed geographic tabulation of the data.

For the 1982 NTS, the Department initially intended to again provide supplementary funding, however, the limits placed on our research budget did not permit us to provide such funding. Without these funds, the Census Bureau concluded that a useful survey could not be conducted and it was then canceled.

The Nationwide Personal Transportation Survey, in contrast, has been a Department of Transportation sponsored and funded survey, which the Census Bureau has conducted for us. It was first undertaken in 1969, and again in 1977, and 1983. The NPTS is a multi-purpose survey which satisfies many data needs within the Department of Transportation.

In the past, the Office of the Secretary has used the survey data in a variety of policy research and analysis projects concerning safety, urban development, transportation system investment, et cetera. The Federal Highway Administration has used the data for travel research and analysis, as well as for program management and evaluation. The National Highway Traffic Safety Administration has used the data for estimating exposure of various vehicle passenger classes, in conjunction with vehicle accident and fatality data. Finally, the Urban Mass Transit Administration has used the data for analysis of mass transportation ridership characteristics.

The 1977 NPTS was conducted jointly with the NTS; that is, most of the households interviewed were asked to respond to both the Nationwide Personal Transportation Survey and the National Travel Survey questionnaires. However, experience showed that this made the interview too long and confusing. Some of the planned analyses of the data required the information from both the NPTS and the NTS interviews be available in the same household record. This was later found not to be possible because of the census confidentiality requirements. In general, however, both surveys were successful and yielded useful data.

In 1982, an attempt was made to design both an NPTS and an NTS that would be conducted separately, but with improved compatibility in the definitions. While this approach promised to work well, it was never implemented. As I noted earlier, the 1982 NTS was cancelled and the NPTS was delayed 1 year until sufficient funding could be arranged.

Funding for the NPTS has come from several sources within the Department of Transportation. In 1969, the funding was entirely by the Federal Highway Administration. The 1977 and 1983 NPTS was jointly funded by the Office of the Secretary, the Federal Highway Administration, the National Highway Traffic Safety Administration, and the Urban Mass Transportation Administration.

Another NPTS for 1987-88 is now being planned. The Office of the Secretary hopes to participate in this funding, as we did in 1977 and 1983, contingent, of course, on the appropriation of required moneys. It is estimated that the total cost of this survey will be about \$1.4 million.

The Census Bureau is responsible for involving the travel and tourism industry in the development of the NTS because the Census Bureau is the principal sponsor for that survey. The Department of Transportation has not directly involved that industry in the development of the NPTS because of the survey's methodology. The NPTS involves home interviews with a trip recall of 1 day to 2 weeks and, as such, does not generate sufficient observations of long-distance travel to be of statistical significance for analysis of travel and tourism. However, representatives of the industry have been occasionally briefed on the progress of the NPTS at professional functions such as the Transportation Research Board data committee meetings.

Other Federal agency users of the NPTS include the Department of Energy, the Environmental Protection Agency, State highway agencies, urban planning organizations, automobile manufacturers, insurance companies, and related industries that have a broad interest in all highway vehicle travel.

The Department's current interest in the NTS-type survey is as a supplement to the NPTS. The NPTS contains comparatively few observations of trips over 100 miles from home because these trips are rare events, compared to local shopping trips, work commuting trips and other local trips. To further increase the number of observations of these long trips would require either expanding the sample size, or reverting to an NTS methodology, wherein the same household is contacted several times during the survey year in order to collect that household's long distance travel patterns

over a longer period than can be obtained in the 2-week recall period used in the NPTS.

Either approach, using the home interview technique, would be prohibitively expensive for the Department.

To further increase the number of observations of these long trips essentially requires either expanding the sample size or reverting to an NTS methodology wherein the same household is contacted several times during the survey year to collect that household's long distance travel patterns over a long time period than can be obtained in the 2-week recall period used in the NPTS. Either approach, using the home interview technique, would be prohibitively expensive for the Department.

For the proposed 1987-NPTS, the Department is considering using a private-sector contractor to conduct the survey using primarily telephone interviews, rather than in-home interviews that have been used in the past surveys. The primary advantage of telephone surveys is they are considerably cheaper than home interviews and we can increase the sample size and, thus, the utility of the data set within the same budget limit.

If the telephone technique is used, it will provide additional opportunities to accommodate some of the shortcomings of the home interview. For example, expanding the sample size using home interviews is very expensive because much of the interviewers time is spent traveling to the households in comparison to the time spent in an actual interview. For telephone interviews, the time spent in establishing contact with the respondent household is substantially reduced so that the marginal cost of conducting additional interviews is more in proportion to the length of the interview rather than the number of households.

This characteristic of the telephone technique may provide us with the capability of expanding our sample for those trips which are statistical rare events and asking the full NPTS set of questions for only those households in the core sample. For example, we may be able to recontact a number of the NPTS households several times during the survey year and ask them only if they took trips of 100 miles or more from their home since they were last interviewed. Since few households would have any of these trips to report, the interviews would be much shorter than the basic NPTS interviews and therefore less costly.

If this approach were found workable in practice, we could obtain a more statistically relevant number of long-trip observations in the data set without incurring the costs associated with obtaining more observations of the short trips than actually needed. This approach would also be used in expanding the number of observations or public transportation trips, and other statistical rare events in trip-making.

We would like to emphasize to the subcommittee that the techniques described above are as yet unproved, although they are now appearing to be promising as a way of conducting the NPTS survey. Moreover, as mentioned earlier, funding for the survey is still dependent on future appropriation action by the Congress.

Mr. Chairman, that completes my prepared statement. I would be pleased to answer any questions you may have.

[The following information was subsequently received for the record:]

QUESTIONS OF SENATOR PRESSLER AND THE ANSWERS

Question. All agencies of the Federal government are directed by law (National Tourism Policy Act) to:

Assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and within the United States. In order to facilitate planning in the public and private sectors.

(a) What initiatives has the DOT undertaken to comply with this law?

(b) At the very least, couldn't DOT help underwrite a National Travel Survey, as it did in 1977?

Answer. (a) The Department of Transportation has undertaken several initiatives that support the National Tourism Policy Act. About 10 years ago, the Department, in cooperation with the Civil Aeronautics Board and the Travel and Tourism Service of the Department of Commerce, initiated the processing and publication of data on international air travel to and from the United States. This data is collected on Immigration and Naturalization Service (INS) form I-92, and provides information on the number of air travelers by U.S. citizen vs. non-citizen traveling between U.S. and foreign airports by carrier. Under an interagency agreement, we have been providing special tabulations of this data to the U.S. Travel and Tourism Administration. We have also been providing tabulations to the Bureau of Economic Analysis, the U.S. Air Force and other government agencies.

We have recently undertaken a new initiative with respect to the I-92 data. We are preparing a Notice of Proposed Rulemaking requesting comments on a proposal to replace the I-92 form. The new T-100 form will incorporate information now gathered on the I-92 form and information gathered on the ER-586 service segment data now being collected by the Department's Research and Special Programs Administration. The T-100 form is expected to substantially streamline the data collection process, reduce the reporting burden on both the U.S. and international air carriers, and reduce the DOT costs of processing and publishing the data.

The new T-100 form will not identify citizenship of air passengers, but we believe that information can still be obtained from the INS form I-94. The I-94 form is completed by each passenger on an international arriving and departing flight, and it includes information on the travelers country of citizenship. A sampling of this form would provide more information than is currently available from the I-92 form.

Another program run by the Department that provides information on travel and tourism is the U.S. air carrier 10 percent ticket sample. This program was transferred to the Department by the CAB when it was sunset and is managed by the Research and Special Programs Administration. It obtains passenger demand data such as origin and destination information, class of travel and fare data from a sample of airline tickets. Information is produced on domestic travel as well as foreign travel on U.S. airlines. The Department is now in the process of improving the sampling requirements to reduce the airline respondent reporting burden.

(b) The Department of Transportation could help underwrite a National Travel Survey (NTS) as it did in 1977 if we determined that funding the NTS was a cost effective alternative to enhancing the data collected in the Nationwide Personal Transportation Survey (NPTS). The Department could also provide funding if we were given a special appropriation for that purpose, but we believe it would be more appropriate for Congress to provide such funds directly to the Census Bureau.

Question. What does the Department do to assess long distance travel impacts in the absence of the NTS?

Answer. The Department has other resources which we would rely on the absence of the NTS. For air travel, we have the 10 percent airline ticket sample which provides more accurate information on air passenger origins and destinations than could be achieved through the NTS. For highway development, the Department receives considerable information on a monthly and annual basis from State highway departments on vehicle travel on the Interstate and other Federal-aid highway systems. For intercity rail travel, the Department has available monthly published reports from Amtrak, indicating ridership by route. Under the 4R Act, the Department may enter in grant agreements for high speed rail studies which may result in special surveys of intercity travel patterns. Another potential source of information is the Consumer Expenditure Survey (CES) conducted by the Census Bureau for the Bureau of Labor Statistics. This survey has information similar to that collected in the NTS, but only for consumer trips.

The information most useful to the Department from the NTS is the socio-economic characteristics of the traveling households which are not available from most of the above data sources. We are currently relying on the NPTS for this information, and would use recent NPTS surveys to update the 1977 NTS with more current travel patterns in the absence of a new NTS.

Question. What is the likelihood that DOT will actually expand the sample to include questions on longer trips? Has the extra effort been costed out?

Answer. The NPTS will include questions on longer trips regardless of its final design, since the basic methodology is to collect information on all household trip-making. The issue is how many observations of these longer trips will be obtained. The traditional NPTS methodology employed on a one-day respondent recall of all trips made the previous day, and a fourteen day recall of all trips made over 75 miles from home for the two-week period preceding the interview. For some purposes, the fourteen-day recall period does not provide a statistically balanced number of observations for measurements of total vehicle and passenger travel.

The cost and the feasibility of enhancing the next NPTS with more long trip observations has not yet been determined. We are still in the conceptual stage of development of the survey, and not all sponsoring agencies have yet committed the necessary funds to the project.

Our concern now is whether a viable tradeoff exists in the design of the survey that would permit additional observations of the longer trips at the expense of collecting fewer shorter trips. We do not now have funds available that would permit additional long trip interviews without some reduction in shorter trip observations.

Question. How many additional questions could be asked in the extra sample survey? Will you consult with the travel and tourism industry if you expand your sample?

Answer. We have not yet determined which questions would be asked regarding long trips if a long trip supplement is found feasible for the next NPTS. At this conceptual stage in the development of the survey, it is not possible to determine whether additional questions from outside the Department could be added without overburdening the respondent.

If it appears that the NPTS will obtain information useful to the travel and tourism industry, we would be happy to consult with its representatives regarding the content of the survey. However, the Department has limited funding available for the survey. Consequently, additional sponsors would be required to cover the cost of any expansion in questions or sample needed to solely meet the travel and tourism industry.

Question. What effort has been made by DOT to clearly justify appropriations for use in undertaking surveys like the NTS and the NPTS? Are they not essential planning and decision-making tools?

Answer. Travel data, as well as other information on commodity movements, industry structure, system performance, infrastructure, safety and related aspects of our transportation system are essential for the development of sound national policies for transportation and the effective management of Federal transportation programs. When budgets are limited, we are sometimes required to make difficult priority choices for supporting these data collection and other research projects.

Surveys like the NTS and NPTS are viewed as multi-purpose data projects and generally have several sponsoring agencies. Justification for appropriations are developed separately by each agency and included in the appropriate format in each agency's budget.

For example, FHWA funding for the NPTS is from their General Operating Expense—Research and Development, Highways (Activity 13) appropriation. Another source of FHWA funding is the Section 403 Safety funds. In both sources, justification for such surveys is provided by activity area, rather than individual project descriptions.

In 1982, both the Office of the Secretary and the Research and Special Programs Administration had planned on supporting the NTS, and both had included language in their appropriations request that some of the funds would be used for the Census Bureau's Census of Transportation, including the NTS.

At the request of Congress, for FY 1987, the Office of the Secretary merged the TPR&D with the S&E request, and no project descriptions were submitted for any OST research projects. For FY 1988, the Department intends to submit research project descriptions with its budget request, and will include, as appropriate, a justification for a travel survey.

Senator PRESSLER. Thank you. I shall have to go vote. I will be back shortly.

[Brief recess.]

Senator PRESSLER. We will proceed, and I will ask Mr. Hornback for his statement, limiting it to as brief a time as he can because at 4:30 I shall have to depart for another commitment.

Mr. HORNBACK. Mr. Chairman, I appreciate the opportunity to provide your subcommittee with information concerning the travel data collection activities of the National Park Service. I have with me on my left, Ms. Priscilla Baker, tourism director for the National Park Service.

The National Park Service monitors the use of the parks as part of a broad program to forecast and assess impact of use. Data collection comes from several different sources. One is the quantitative measurement of traffic through the parks. These data are reported monthly by each park in the form of recreation visits, overnight stays, and visitor-day data.

The National Park Service also cooperates with other agencies in supporting a nationwide recreation survey which was originally designed to coincide with the National Travel Survey, at 5-year intervals. The most recent Nationwide Recreation Survey was conducted in 1982-83. It is designed as a comprehensive survey of recreation participation and preferences of the American people.

The National Park Service also cooperates with several other agencies and states in a limited program to collect information about site users, their characteristics, activities, expenditures and travel information. These data are used primarily to evaluate economic impact on use of public lands.

The Park Service visitation statistics are unique in that they have been collected since 1904 and mark 82 years of the growth of both the National Park Service and the Interstate Highway System. Data are commercially important because they include a formal system of quality control checks to ensure accuracy and yet enable the data to be published within a few weeks of the end of each month.

Each monthly report covers 98 percent of the National Park Service areas. Reports are available quarterly, monthly, and in annual form.

Park accounts are audited for accuracy and consistency from unit to unit. This makes the data reliable, as well as a significant indicator of travel and outdoor recreation in America.

The travel and tourism industry is involved primarily as consumers of these data. Primary users of National Park Service data include companies in transportation, accommodation, as well as destinations and other service operations.

Secondary distributors of National Park Service data are diverse, ranging from the U.S. Travel Data Center, to Federal Reserve System banks which use the data for regional economic indicators. Of course, the data are available to industry market analysts through publications such as Survey of Current Business and the Statistical Abstract of the United States.

Private citizens can access the data through over 800 Federal Depository Libraries, located throughout the States, or get a copy directly as long as supplies last.

National Park Service visitation collection activity is designed to be fast, accurate and cost-effective. The trade-off is that it is nar-

rowly focused and difficult to compare with other social statistics. Other statistics, on the other hand, often take years to publish and that makes them hard to understand in historical context.

The National Park Service option for a fast data system responds to a management need for feedback which is current, rather than detailed.

As the scope of any data collection enterprise increases to include more details, the cost and processing time multiply. As costs and complexity of data gathering increase, the probability that the work will be repeated decreases. The data gap most difficult to close is the one between current but limited data and detailed but outdated data.

The National Park Service combination of monthly visitation records, periodic population surveys and detailed site surveys is one way to overcome the shortcomings of timely versus detailed information collection.

Mr. Chairman, with that brief overview, I will conclude my prepared remarks and would be pleased to answer any questions that you might have.

[The following information was subsequently received for the record:]

QUESTIONS OF SENATOR PRESSLER AND THE ANSWERS

Question 1. How would you describe this summer's travel and tourism trends at the National Parks? Have you been able to analyze the causes for current trends satisfactorily with the data available to you?

Answer. Public use of the national parks in 1986 was up 9% nationwide according to data measured through August. However, regional variations were great, ranging from a low change of 3% in the midwest to a high of 16% in Alaska. Urban park use was 16% above the same period last year while sea and lakeshore areas were down 7%. Overnight stays in parks continued their long-term decline, falling 1% from last year. We have not been able to establish causes for the public use patterns of 1986, except that we do see a correlation between inclement weather and visitation decline.

Question 2. How has the absence of a National Travel Survey affected your ability to analyze trends affecting the National Park Service? What detailed data are you missing?

Answer. The absence of a National Travel Survey has not affected our ongoing statistical program because the data from such a long-term survey is less useful than more current and regular monitoring.

We are missing detailed data about regional travel patterns, travel in areas smaller than state size and in areas surrounding parks. For forecasting purposes, it would be helpful to have information about travel (trip frequency, duration, length of travel) and travelers (vacation styles, household composition and characteristics). Presently, we monitor private sector statistical reports to obtain as much relevant information as possible.

Question 3. What might the future data needs of the National Park Service be in response to changing travel patterns of the American public?

Answer. We expect no appreciable change in our need for information as related to travel to national park areas.

Senator PRESSLER. Thank you, very much.

Mr. Walsh, what does the Department do to assess long distance travel impacts in the absence of NTS?

Mr. WALSH. We, of course, use the National Transportation Survey largely as a way of increasing the number of long distance trips that we found in the Nationwide Personal Transportation Survey, and we did that up until the time that we were unable to any longer fund the NTS.

Senator PRESSLER. Mr. Hornback, I am going to read with great interest some of the statistics on the South Dakota parks, and that area. I understand you are going to provide those. We can use that as a basis to learn and better understand the whole system.

What might the future data needs of the National Park Service be in response to changing travel patterns of the American public?

Mr. HORNBAC. There are basically two kinds of information from our point of view that would be very desirable. One of them is from where people come who go to the parks; information which we would use in order to improve our forecasting capability for each individual park, forecasting ultimately leading to expected problems with carrying capacity and other resource-sensitive issues.

The other information covers a longer term, information about consumer recreation behavior, consumer vacation plans and travel habits. Information of this kind is in short supply and often difficult to digest.

Also, information about the demographic characteristics of people who use the national parks is viewed to be critical and very important with the aging of the population, and the changing economics and family characteristics of younger Americans.

Senator PRESSLER. I have a list of additional questions for both of you. I will submit them for the record. The minority may also have some additional questions.

Thank you very much.

With that, I will call forward Mr. Douglas Frechtling, Director, U.S. Travel Data Center, and Mr. Alan Pisarski, transportation consultant.

I would ask you each to limit your remarks to about 4 minutes, or the bells are going to get me again.

Who wishes to begin? I would appreciate if you can give the highlights and I have read your statements. Perhaps you could give us the chief points. I apologize for this brief time.

STATEMENTS OF DOUGLAS FRECHTLING, DIRECTOR, U.S. TRAVEL DATA CENTER; AND ALAN PISARSKI, TRAVEL CONSULTANT

Mr. FRECHTLING. Thank you, Mr. Chairman. It is a pleasure to be here. I want to compliment you for addressing a rather dry subject. It is not the stuff that dreams are made of, but it certainly is the stuff that much public policy is founded upon, and really has received far too little attention in our Government today.

A little background. The U.S. Travel Data Center is the national nonprofit research center for travel and tourism, established in 1973. We try to serve the travel industry, including States, cities, and local regional areas who promote travel and tourism.

We count 39 State travel offices among our members, including, of course, South Dakota.

We use a great deal of travel-related data, developed by the Federal Government, and the Government is in a unique position to gather travel-related data because of its ability to promote response, maintain confidentiality, and underwrite the high cost of publicly available data.

Really, there is no alternative for data collection in many of these areas to Federal Government participation. Moreover, it is very important that Federal agencies have reliable data on travel-related activities for their own planning and policymaking.

A number of us went through those very dark days of the gasoline shortage and petroleum crisis in 1973-74, when bills were introduced to declare the tourism industry as nonessential. At that time, we had no data that indicated how essential it was. These days, travel and tourism have become ever more important to our economy and fortunately we do have better information.

The Data Center wants very much to see the Government return to some of its programs that it cut back and reduced over the years in the name of economy. For example, the quinquennial National Travel Survey, as has been indicated, was last conducted in 1977, and it was an exceptional information source available nowhere else.

It was most valuable to State travel development offices, city convention, and visitor bureaus and private firms.

We very much support a survey large enough to provide detail on travel to most individual States that would be undertaken by the Census Bureau at a very early date.

Additional recommendations to improve the information available to public and private organizations are the following: One, continue the USTTA's in-flight survey of international travelers, at least at current levels. Two, expand the Census Bureau's service annual survey to include payroll and average annual employment data. Three, add several additional sectors to the Census Bureau's annual service industry surveys, including travel agencies, inter-city bus companies, cruise lines, camp grounds, and trailer parks, auto rental, taxicabs, and airlines. Four, expand the Census Bureau's quinquennial economic censuses to include inter-city bus companies, airlines, airports, travel agencies, tour operators, cruise lines, and taxicab companies.

Five, gather and publish monthly data on the business receipts of hotels and motels, and amusement and recreation services. Six, gather and publish information on homes held for seasonal, recreational and occasional use, so-called second homes, in the 1990 census of population in housing, and seven, speed up the publication of Census Bureau reports. The 1985 service annual survey was published 8 months after the end of the year. The 1982 census of service industries was published 34 months after the end of the period being studied. This tardiness materially reduced the value of these surveys.

That concludes my statement, Mr. Chairman. I would be happy to take any questions you might have.

[The statement follows:]

STATEMENT OF DR. DOUGLAS C. FRECHTLING, DIRECTOR, U.S. TRAVEL DATA CENTER

I appreciate the opportunity to present views on federal data collection activities that contribute to the growth and development of tourism and the travel industry in America. My views are based upon thirteen years' experience as Director of the U.S. Travel Data Center, the national nonprofit research center devoted to travel and tourism, and an affiliate of the Travel Industry Association of America.

As the Chairman requested in his September 5 letter of invitation, I will address three subjects: (1) nature of the travel and tourism data collected by the Data

Center and other industry groups; (2) the extent of industry efforts to advise the federal government on travel and tourism data collection; and (3) essential travel data missing in the absence of a large-scale National Travel Survey since 1977.

1. U.S. TRAVEL DATA CENTER AND OTHER RESEARCH EFFORTS

The Data Center was founded in 1973: to advance the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic, and scientific research concerning travel, the travel industry, and travel-related industries; by gathering, analyzing, publishing, and disseminating the results of such research; and by cooperating with all federal, state, and other government agencies, and all organizations with similar purposes, in pursuit of its objectives.

I have appended a copy of our 1986 Guide to Membership, Publications and Programs to this statement, to indicate the scope of our current travel research program. One copy of each of our current publications has also been provided for the Subcommittee's use. In addition, I have submitted one copy of Statement of Qualifications of the U.S. Travel Data Center, which details the custom research studies we have conducted for federal, state and city tourism development agencies and private organizations.

Briefly, our research program falls into two categories: economic impact studies and marketing research. The projects conducted reflect the priorities of our Board of Trustees and our Program Advisory Council, comprised of more than fifty representatives of state travel offices, city convention and visitor bureaus, the U.S. Travel and Tourism Administration, and travel-related firms and associations. They are designed to fill gaps in our understanding of travel away from home to, from and within the United States, and the industry that serves it.

Economic impact studies

In 1975, the Data Center was retained by the U.S. Department of the Interior to extend its national model for estimating American travel expenditures in each state to estimate the employment, payroll income, and federal, state and local tax revenue generated by travel spending down to the city and county level. The resulting Travel Economic Impact Model has been consistently used since 1977 to estimate travel's impact in more than 100 studies in 21 states covering 1,828 individual cities and counties.

The Travel Economic Impact Model is also used to develop annual estimates of U.S. travel spending in each state, and the employment, payroll income, and tax revenue generated. These estimates are published annually in *The Impact of Travel on State Economies*.

Recently, under contract to the U.S. Travel and Tourism Administration (USTTA), we have used the model to prepare estimates of the economic impact of foreign visitor spending in each state. These are based upon USTTA's survey of international air travelers and provide unique measures of the contribution foreign visitors make to state economies. USTTA has published our estimates for 1983 and we will prepare 1985 estimates for them by the end of this year.

Since 1981, we have published the annual Economic Review of Travel in America. Designed to encourage understanding of the economic impact of travel and the industry that serves it, this review is distributed annually by the Travel and Tourism Government Affairs Council to every Member of Congress and many executive branch offices.

The estimates of travel's economic impact the Data Center has published since 1977 are the only consistent series of such estimates available at the national, state and local levels. They are widely quoted in testimony, articles, reports and interviews.

For thirteen consecutive years, we have obtained information from every one of the 50 state travel development offices and several of the territories on budgets, administrative arrangements, advertising, research, and other activities. These Survey of State Travel Offices reports have helped increase recognition of the importance of state travel development programs, and assisted the offices in encouraging travel demand to contribute more to their economies.

Marketing research

Upon our establishment, we made heavy use of the U.S. Census Bureau's 1972 National Travel Survey. We developed a computerized economic model to produce estimates of U.S. domestic travel spending in each of the states, estimates never available before on a consistent basis. We also tabulated the survey for travel-related organizations to use in market development.

This experience demonstrated the value of periodic surveys of American travel activity to travel marketing. In 1974 through 1976, we conducted annual national travel surveys based upon the Census Bureau's questionnaire and methodology. We were not pleased with the quality of the information that these mail surveys provided, and in 1979 began our current series of telephone surveys of the American public.

Our National Travel Surveys (NTS) have been conducted by telephone monthly ever since with the same core questionnaire. We interview national probability samples of 1,500 U.S. adults to learn about their trip and traveler characteristics, and investigate their plans to take vacation trips. The results are published quarterly and annually in our National Travel Survey series.

We also encourage the industry to add questions of their own choosing to the Survey. Many firms and agencies have taken advantage of this opportunity to sharpen their knowledge of the travel market and their role in it. We are currently conducting special NTS studies for the state travel offices of Massachusetts, New Jersey and Utah, and covering the cities of Atlanta, Oklahoma City, Tulsa, Washington, DC, and New York.

In 1985, Travel Weekly magazine began to sponsor the Survey of Business Travelers. Reports are published every six months on trends in this vital sector of the travel market. These data assist state travel offices, city convention and visitor bureaus, and private firms in marketing to Americans traveling on sales calls, for training, and to attend meetings and conventions.

In response to a growing number of press and industry inquiries regarding the outlook for summer vacation travel, the Data Center released its first annual projections in 1982. These are based upon consumer intentions to take vacation trips reported in the NTS. The resulting reports help the industry and government understand the size and nature of this essential feature of the American lifestyle and mainstay of many resort areas.

In short, the NTS is the longest-running national survey of U.S. travel behavior and is a unique resource for the industry since the Census Bureau shelved plans for future travel surveys of its own in 1981. However, it is no substitute for large-scale periodic surveys by the Census Bureau.

Communications

Data collection and analysis are worthless unless they are communicated to those in a position to profit from it. The Data Center also carries on programs to communicate its research findings along with those of other respected organizations.

The Data Center began publishing its monthly newsletter, Travel Printout, when the corporation was organized in January, 1973. An early feature was the Travel Price Index, based upon U.S. Department of Labor monthly price data and showing changes in the costs of travel in the U.S. Articles on travel activity and Data Center research as well as current industry estimates have appeared monthly for more than thirteen years.

In December 1975, the Data Center presented the first Travel Outlook Forum, co-sponsored by the Travel and Tourism Research Association. Conducted annually ever since, the Forum is recognized as the premiere travel-forecasting conference. Authorities on all substantial sectors of the travel industry present their views on the outlook for the coming calendar year. The proceedings are published in the annual Outlook for Travel and Tourism series.

In summary, over the years since its establishment the U.S. Travel Data Center has developed a comprehensive program of economic and market research responsive to the needs of the travel industry, including public agencies. The resulting reports are distributed widely and are accepted as credible, objective accounts of the course of travel and the travel industry.

Other industry research

Our contributions depend upon information collected by other organizations as well as the primary data we collect. In our economic impact studies, we rely heavily on data covering various sectors of the industry gathered by other private business firms. The major sources we use are detailed below (addresses are appended at end of statement):

Airlines.—Air Transport Association—yield, traffic, payroll. Airline Economics, Inc.—traffic, revenue forecasts, forecasts.

Intercity bus.—Transportation Policy Associates—passenger-miles, revenue.

Intercity motor vehicle travel.—Transportation Policy Associates—passenger-miles. American Automobile Association—gasoline prices.

Cruise lines.—Travel Weekly magazine—sales revenue.

Hotels/motels.—Pannell Kerr Forster—occupancy rates, average room revenue. Laventhol and Horwath—occupancy rates, average room revenue. Smith Travel Research—business receipts, room rates, forecasts.

Foodservice.—National Restaurant Association—prices, volume trends.

Amusement/recreation.—International Association of Amusement Parks and Attractions—park attendance trends. Woodall Publishing Company—campsite costs.

Travel agencies.—Travel Weekly magazine—average agency sales, employment.

We also, of course, obtain valuable data from a number of federal agencies: the U.S. Travel and Tourism Administration, the Bureau of the Census, Amtrak, the Federal Aviation Administration, the Federal Highway Administration, the Bureau of Labor Statistics, and the Office of Industry Economics and Finance of the U.S. Department of Transportation.

With one key exception, the federal government provides considerably less information on travel and the travel industry than it did ten years ago. The most important of the programs we have lost include: (1) National Travel Survey, U.S. Bureau of the Census, quinquennial; (2) Monthly Selected Services Receipts (hotels/motels, amusement/recreation services, auto rental and leasing w/o drivers), U.S. Bureau of the Census, monthly; and (3) Intercity bus activity, Interstate Commerce Commission, annual.

The exception is the Inflight Survey of International Air Travelers begun by USTTA in 1982. This program provides far more information on the activities and impact of foreign visitors in the U.S. than ever available before. It provides data critical to development of state, city and regional tourism development and business marketing programs. Moreover, this survey has indicated that the methods traditionally used by the Commerce Department's Bureau of Economic Analysis to estimate foreign visitor expenditures in the U.S. substantially underestimates this activity.

It is my hope that this Subcommittee will continue to take an active interest in the continuance and improvement of the travel-related data collection the federal government currently operates, to help insure we do not lose any more than we already have.

2. INDUSTRY ADVICE ON FEDERAL PROGRAMS

While the private sector and state and city agencies travel industry collect and publish a great deal of information for use in marketing and economic development programs, the federal government has a critical role to play.

Some data are just not available to other organizations without federal collection. Federal surveys of the public usually generate higher response rates than private with the implied power of the government behind them. Many businesses will not share operating information with private data collection firms but will under the guaranteed confidentiality that the government offers.

Large-scale efforts such as the 1977 National Travel Survey cost too much for the travel industry to finance. The industry is comprised predominantly of small businesses which cannot afford to underwrite data collection costs. Moreover, the results of such surveys are spread widely through the news media and photocopying. It is difficult to persuade even large travel-related businesses to jointly sponsor research because others who do not pay equally benefit from this "public good."

Finally, federal agencies should have these data to rationally plan their own programs. For example, the 1977 National Travel Survey is the only reliable source of objective data on the origins and destinations of automobile travel away from home. Yet such data are crucial to highway planning and assessing the effects of gasoline shortages and methods of dealing with them.

A number of analysts have commented on the relatively large revisions in the quarterly gross national product estimates published this year. For example, the GNP change between the first quarter of 1985 and 1986 was revised from a modest 1.9 percent gain to a hefty 3.1 percent. Such misleading data provide policy makers the wrong cues about the direction the economy is taking, encouraging erroneous and damaging policy changes.

At least one commentator places the blame for these estimation errors at the door of faulty data gathering on consumer spending for services. It is no secret that the economy is increasingly based on services yet federal data collection efforts still concentrate heavily on manufacturing.

It seems to me that the demise of the Census Bureau's Monthly Selected Services Receipts reports contributes to the decline in our timely understanding of what is happening in the service economy. It certainly hobbles the efforts of those in the travel industry and those who study it to discern accurately whether marketing and economic development opportunities are rising or declining.

The travel industry has taken an active interest in continuing, improving and expanding federal travel-related data collection programs. In 1958, the predecessor of the Travel Industry Association of America funded the first National Travel Survey. This survey then became a part of the quinquennial Census of Transportation in 1963, conducted by the U.S. Bureau of the Census through 1977.

Following the 1972 National Travel Survey, the U.S. Travel Data Center transmitted formal recommendations for improving the next edition to the Census Bureau.

In hearings held by this Subcommittee on April 2, 1976, representatives of the industry testified on the need for the National Travel Survey and provided recommendations for the 1977 edition. The 1977 National Travel Survey turned out to be the largest, most comprehensive survey of resident travel activity ever conducted due mainly to these and other recommendations.

The industry also voiced its need for more comprehensive and more timely travel-related data during this Subcommittee's National Tourism Policy Study, 1976 through 1978. These concerns were incorporated in the final report.

The Data Center staff spent many hours working with the Census Bureau in designing the 1982 National Travel Survey and were shocked when the funding was withdrawn at the eleventh hour. We have expressed the industry's need for resumption of this important information program in hearings and in direct communications, along with the Travel Industry Association of America, the National Council of State Travel Directors, the International Association of Convention Bureaus, and other industry groups.

We also objected strongly to the termination of the Census Bureau's Monthly Selected Services Receipts program at the end of 1981, and other industry representatives agreed. Our views were transmitted to the Census Bureau and this Subcommittee (February 24, 1982), as well as elsewhere (e.g., *Impact of Budget Cuts on Federal Statistical Programs*, Hearing before the Subcommittee on Census and Population of the House Committee on Post Office and Civil Service, March 16, 1982, p. 289-301).

More recently, the Data Center staff was pleased to lend its support and counsel to the USTTA-commissioned study, *An Inventory of Federal Travel and Tourism Related Information Sources*, by Alan E. Pisarski. This is an excellent description of all of the federal statistical programs relating at all to travel, tourism, or the travel industry. It serves as a benchmark for assessing further program cuts in travel data collection in the future.

The Data Center also coordinated an industry effort to advise the Office of Management and Budget on revising the Standard Industrial Classification System in 1987. With the encouragement of the USTTA, several industry groups supported our recommendations for describing the various components of the industry more accurately.

I have appended a copy of our recommendations to this statement. We are currently awaiting publication of the final changes adopted by OMB to see, for example, if the cruise line industry will be recognized as distinct from water freight transportation and the car rental business separate from automobile leasing.

We have also provided recommendations to the Census Bureau in its planning to expand its annual service industry data collection program, its quinquennial censuses of service industries and retail trade, and the 1990 Census of Population and Housing. Copies of our views are appended.

For its part, the Census Bureau has been active in soliciting industry advice since 1982 and in adopting much of what we have recommended. The current staff certainly deserves expressions of our appreciation for their efforts to improve knowledge of travel and the industry that serves it.

We are also indebted to the support of this Subcommittee over the last decade and one-half. Few industries can boast of the continued interest you have shown in helping insure that public and private organizations alike have the statistical information essential to effective market planning and economic development.

This lengthy recitation serves to emphasize how active the travel industry has been in seeking improvements in federal data collection relating to travel and tourism. While we have usually received a cordial hearing, desired results have not always followed. We still lack monthly data on the service sectors of our industry, and a periodic, large-scale National Travel Survey.

3. INFORMATION GAPS SINCE THE 1977 NATIONAL TRAVEL SURVEY

The 1977 National Travel Survey was the largest survey of resident travel behavior ever conducted, in terms of number of respondents and breadth of information collected. We were actively working with the Census Bureau in designing their 1982 survey when funding was withdrawn at the end of 1981. For the first time in twenty years, there was no Census Bureau travel survey.

We used this survey to develop detailed estimates of the spending patterns of American travelers. There are now no estimates of what various demographic groups spend on travel in different regions of the country, or what the average travel party spends in each state. We also lack sound estimates of what air travelers or bus travelers contribute to state and regional economies since 1977.

A major benefit of the 1977 survey was the detail it provided on origins and destinations of various types of travel and travelers. For example, *Better Homes and Gardens* magazine published tabulations showing the origin states of family vacation trips of each state. This study is still used by state travel development offices to indicate their primary geographic markets despite the national and regional upheavals affecting travel patterns since the original survey.

As I stated earlier, the Data Center has conducted its own National Travel Survey since 1979. While we interview 1,500 Americans each month, this is no substitute for a Census survey of 20,000 households or so. We would like to have the larger survey to calibrate our own, particularly on smaller sections of the market, such as bus travel, train travel, and cruise travel.

In short, travel and tourism is primarily a regional phenomenon—more than half of all person-trips go no further than 300 miles from home—yet we know very little about inter-regional flows since the demise of the Census Bureau's National Travel Survey. Planning for another edition should be based on the critical need for state-by-state data on origin and destination travel patterns. It must be a sample large enough to help state travel development agencies, city convention and visitors bureaus, and over 300 thousand business firms plan their regional marketing programs more effectively.

I understand the Census Bureau has costed out redoing the 1977 National Travel Survey in 1982 at \$7 million. This is a great deal of money and ways should be sought to reduce this cost short of cutting the effective sample of 20,000 households. This could include combining it with other federal surveys or contracting with an experienced private sector data collection organization to conduct the survey under Bureau supervision.

I believe it is crucial that the federal government find the means to provide this critical information available through no other source.

OTHER RECOMMENDATIONS

I would like to take this opportunity to seek the Subcommittee's support for other industry recommendations we have made regarding federal travel research programs: (1) Continue the USTTA's Inflight Survey of International Air Travelers at least at current levels; (2) Expand the Census Bureau's Service Annual Survey to include payroll and average annual employment for hotels and motels, amusement and recreation services except motion pictures, automotive rental and leasing without drivers, and amusement parks; (3) Add the following sectors to the Census Bureau's Service Annual Survey: travel agencies, intercity bus companies, cruise lines, camps and trailer parks, auto rental without drivers, taxicab companies, and airlines; (4) Expand the Census Bureau's quinquennial economic censuses to include intercity bus companies, airlines, airports, travel agencies, tour operators, cruise lines and taxicab companies; (5) Gather and publish monthly data on the business receipts of hotels/motels, amusement and recreation services, and other travel-related businesses as they did through 1981; (6) Gather and publish information on homes held for seasonal/recreational/occasional use ("second homes") in the 1990 Census of Population and Housing; and

(7) Speed up publication of Census Bureau reports: the 1985 Service Annual Survey was published more than 8 months after the end of the year, and the final travel-related report from the 1982 Census of Service Industries was finally released at the end of 1985.

It is my hope that the federal government will devote the resources necessary to redress the decline in travel-rated statistical programs and bring them back to the levels we enjoyed ten years ago.

[The following information was subsequently received for the record:]

QUESTIONS OF SENATOR INOUE AND THE ANSWERS

Question. The Bureau of the Census has testified with respect to specialized industry data items in its "industry series" portion of the economic census survey that: "In general, the most detailed data are published at the National level. To avoid

disclosing information about individual firms, and to reduce overall publishing costs, fewer statistics appear for states and smaller areas."

How useful to the travel industry is this data, if it pertains to the national level, rather than states and regions?

Answer. Since travel and tourism activity is predominantly a regional activity (more than one-half of all trips are to places within 300 miles of the traveler's home), national data are considerably less valuable to the travel industry than regional, state or local data. This extends to the quinquennial censuses of business conducted by the U.S. Bureau of the Census.

In many rural areas, tourism activity is the mainstay of the local economy. Yet, these areas are the least apt to be adequately described in Census data collection activities.

I believe the Bureau should re-evaluate its data collection and disclosure policies to shed more light on tourism demand and the travel industry in regional, state and local areas.

Question. Ten years ago, the President of what was then DATO (Bill Toohey) told this Committee that the data collected from the National Travel Survey is "virtually the only source for household-based, intercity, interstate, and interregional travel"

There has been no National Travel Survey since 1977. Does this mean that in the past ten years, the travel industry has had no source for this data?

Answer. Recognizing the need for travel market data for the years between the quinquennial National Travel Surveys scheduled by the Census Bureau, in 1979 the U.S. Travel Data Center began a series of annual surveys covering many of the same topics.

The Data Center's National Travel Surveys have been conducted continually since then among probability samples now numbering 1,500 adults a month. These have been financed by state and city travel development offices and the private industry. So in spite of the demise of the Census Bureau's travel survey program, we still have useful national and regional data on U.S. travel activity.

However, we do not have the resources to conduct the large-scale travel survey that would provide origin-destination data for each state and most of the major cities. These data are vital to state and city travel development agencies, as well as transportation planners and economic development organizations. Such a survey would also be a useful benchmark for our own efforts as well.

Question. Ten years ago, the U.S. Travel Data Center developed for the Bureau of Land Management, a "travel economic impact model" for estimating and analyzing travel economic data. At that time, this Committee was told that such a model could be utilized to obtain data on tourism expenditure, employment, payroll and tax generation, through the application of travel volume data obtained from the National Travel Surveys.

Of course, there has been no National Travel Survey since 1977. But if that Survey were reinstituted, could the economic impact model you developed ten years ago be useful?

Answer. The Data Center has revised and expanded the Travel Economic Impact Model it originally developed for the U.S. Bureau of Land Management in 1975 and has used it many times since then to develop state and county estimates of travel spending and impact. However, we feel the accuracy of our estimates would be improved by regular large-scale National Travel Surveys such as the one the Census Bureau last conducted in 1977. These can provide benchmarks for our estimates for the interim years between these surveys.

Such surveys would provide a great deal more detail on the geographic distribution of U.S. travel activity than we are able to derive from our own surveys or other sources. Our Travel Economic Impact Model would then be even more useful for demonstrating tourism's economic benefits than it is now.

Question. Ten years ago, DATO testified as follows with respect to the then upcoming 1977 National Travel Survey (NTS): "If the NTS in 1977 is conducted as those surveys have been in the past, it will provide no economic data, no information on employment, no information on payroll, no new information on overall expenditures, and no information on tax generation. And the figures that we will be using in terms of the value of tourism in these areas will not be as believable as they should be."

Did the Bureau of the Census take DATO's criticism into account when it conducted the 1977 National Travel Survey?

Answer. The Census Bureau incorporated a portion of this recommendation in its 1977 National Travel Survey. This was to attempt to gather information on respondent expenditures on lodging, transportation and package tours. The response rates

for these questions were quite low, and the amounts reported appeared to underestimate actual expenditures dramatically.

This experience and other research indicate that the National Travel Survey is not an appropriate vehicle for obtaining data on the economic impact of travel away from home. Other methods, such as the Data Center's Travel Economic Impact Model, are conceptually and practically much more satisfactory.

Senator PRESSLER. I thank you very much especially for your opening statement, because this business of data collection does not sound like the most dramatic thing in the world, but there are many public policy decisions made based on it, and I appreciate that very much.

Mr. Pisarski, we welcome you.

Mr. PISARSKI. Thank you, Mr. Chairman. I am delighted to be here. I have spent about 20 years of my career on this not-too exciting subject, as a consultant in the transportation field, and I am here today, based on that interest in better policy data in this field.

I should point out that my own views are being expressed here rather than those of my clients, and some of the people here in the room that I have worked for in the past.

I would like to emphasize, as the last speaker, some of the institutional context here rather than some of the specifics of particular data items or problems. I think we have identified some of those, and there are materials available on that.

I think the fact that we have developed such a dismal record in the last 20 years in this area is the fact of the product of the lack of an institutional context in which we can make decisions about the kinds of data that ought to exist for policy purposes, for planning and for better marketing. I have identified in my testimony six points that I think need emphasis with respect to that institutional problem.

The first one is, as has been mentioned here, this industry is a service industry, and up until just recently, the service industries have suffered rather badly when it came to treatment of statistical programs.

There are some changes for the better there that we should both approve and support for the future.

Second, deregulation and privatization in recent years has not done well by our data requirements. I think there has been a tendency to believe that the data programs can go out with some of the deregulatory activities. I have been a staunch supporter of deregulation and privatization, but when it comes to the data side, I don't agree with the philosophy that I think has been evidenced.

I do believe, in fact, that better Federal information is a very strong support to a better marketplace and is in fact a pro-deregulatory position for Government to take, rather than throwing out the data with the regulatory process.

We have suffered considerably, I think, from that in recent years.

Third, I think the Federal Government has too often too narrowly defined its statistical role, construing it to be exclusively focused on its own program management functions. I think this needs to be emphasized. I think they failed to recognize the role of providing the kinds of data the private sector requires to do its business efficiently and practically, and it has failed to recognize the value of

understanding more about what is happening in the general economy and in the society independent of any Federal program that they may be responsible for.

I think particularly in the Department of Transportation, and in other agencies that have these responsibilities, that broader sense of what their statistical programs are doing needs to be recognized.

The roles within the Federal Government were mentioned earlier. In the study that I performed for USTTA, we found 26 agencies involved in statistical data collection and tourism. I am not suggesting that that number should be reduced, it is a very diverse field. I think it would be very desirable to have better institutional mechanisms to bring that together and focus it in a cooperative fashion.

I think that would go along away toward helping us.

At the State level and at the private sector level, I think there needs to be mechanisms for those people to make their needs known, and there need to be mechanisms for them to be able to work together jointly to make something happen.

We heard that it took three agencies to fund the NTS in 1977. Right now, the NPTS is going to take six or seven agencies. I used to do that kind of thing when I was in the Feds, and just kind of keeping that game together and keeping all those players pointed in the right direction, and keeping everybody in the process, can be very difficult, very expensive, and can destroy programs as it did in the 1982 NTS.

I think finally, my sixth point is that the private sector does have a major role to play here, and can become a resource, but I think it needs to be recognized that the Federal Government is always going to be the major player here, and the major buyer and/or the major provider. Until Federal demand, that is the need for data, is coalesced and a little bit more rational, I don't think we are going to see private providers step in to provide this kind of information, especially at the kinds of costs that we are talking about.

I will stop at that, simply saying that I think we need a more responsive institutional structure to deal with many of these problems.

Thank you, sir.

[The statement follows:]

STATEMENT OF ALAN E. PISARSKI, TRANSPORTATION CONSULTANT

Mr. Chairman, I appreciate the opportunity to appear before your committee today to address the topic of better information for the travel and tourism industry. This hearing confirms your interest and concern in this vital, but often over-looked area of public policy. I am a consultant in the transportation field concentrating on the areas of policy and policy data development. I am here today as an interested observer of the subject of better data for travel and tourism. Although I have served as a consultant to many of the organizations with an interest in today's topic, I want to emphasize that any testimony today represents my own views, based on twenty years or so of experience both in and out of government, rather than the views of any of those organizations.

In those twenty years an extensive part of my work has been directed to improving the information available to public and private decision-makers for planning, policy-making, investment analyses and other forms of monitoring of travel activity. At the DOT my function was to assure the availability to the Secretary and Secretarial officers, of the information needed for policy decision-making. I have played a similar role in the private sector. Over those years it is my view that we have com-

piled a rather dismal record in terms of assuring the availability of timely, pertinent data in this area.

I have rather extensively documented my views on the scale and scope of available data sources and the location of major data gaps for the travel and tourism industry in two studies: one entitled: *Statistics for Transportation, Communication, and Finance and Insurance: Data Availability and needs* prepared for the Committee on National Statistics of the National Academy of Sciences; and the other: *An Inventory of Federal Travel and Tourism Related Information Sources* prepared for the U.S. Travel and Tourism Administration. Therefore, my comments here can be brief.

I hope to make a few points which may help synthesize some of the comments made by those preceding me here, focussing not on specific programs or data gaps that need fixing but rather on the institutional framework in which we make decisions about what data ought to exist and within which we seek to develop better statistical resources. I have six points that I want to make.

I do think the institutional context is the key to the lack of better transportation, travel, recreation and tourism information. It is more important than lack of adequate resources, although that clearly is a concern, and far more important than the technical issues about better collection methods. Some of the elements of that institutional context that affect this issue are addressed in the following points:

First, transportation, travel, recreation, and tourism are all parts of the service industry and unfortunately have shared with other service industries in the general lack of esteem accorded that sector of the economy at the federal level in both statistical programs and overall policy concern. This industry, as its name illustrates, consists of many sub-industries—from summer-home builders to airlines to hotels to luggage manufacturers. Its scale and importance is hidden by the statistical system which spreads it about in a myriad of related and unrelated places. Thus the lack of appropriate statistical treatment abets the continued lack of appreciation of the importance of the industry—and the importance of better statistics about it.

Some progress is being made in this area. Stimulated by Congressional interest, the Bureau of the Census and some of the other federal statistical agencies are moving to correct the imbalance in service industry reporting.

Second, deregulation and privatization policies have created the false impression that government can and should get out of the statistics business. I have been a strong supporter of both deregulation and privatization in transportation and other sectors as the record shows. But, I believe that the notion that deregulation necessarily justifies no public data or less public data about formerly regulated industries is a false application of a worthy principle. In many cases deregulation demands more information and closer government monitoring, not less—different in character perhaps, more oriented to available service and the uses of the service than to accounting minutiae, but not less.

Granted much in the regulatory data sets, particularly those of the ICC, richly deserved the attic cleaning they are getting. But the whole philosophical underpinning of deregulation—that of creating a more perfect marketplace in which decisions will be made—is premised upon better information about the marketplace. Providing better information about the marketplace is probably the strongest action government can now take to assure the continued effectiveness of its deregulatory policies. Better information reduces some of the barriers to entry, and promotes economic efficiency among market players. Obviously better information will permit government to play its role better also, permitting, for instance, more valid monitoring of the effects of deregulation and other policies. The reductions in statistical programs keyed to past regulatory mandates has severely impeded our national income accounts and our balance of payments statistics.

Third, the federal government has too often too narrowly defined its statistical role, construing it to be exclusively focused on its program management functions. Both the OMB and transportation agencies of the federal government have narrowly construed their statistical responsibility, failing to accept it as their responsibility to respond to the needs of the transportation, travel and tourism industries outside of government to assure a more efficient industry and even failing to recognize public responsibilities for data development beyond the narrow confines of current federal program management. Programs that pay for themselves in terms of enhanced revenue to the government such as the international travel surveys of the U.S. Travel and Tourism Administration are one example of where more investment in data would be fruitful. Another example would be in those areas where user charges could defray a large part of the public costs of data collection.

Under the present narrow scope of program definition not only are private sector needs not met but also state and local public needs have also not been met, even

when the provision of federal data would support the better use of federal funds. The DOT in particular must recognize a broader responsibility for improved data about the entire transportation system and the public's use of it—not just the parts in which the DOT has programmatic responsibility.

Perhaps the advent of a stronger role for the Bureau of the Census in this area, with its broader programmatic mandate will help improve the breadth of coverage of federal statistical programs. The recent shifting of transportation programs into the Services Division of the Bureau is a beneficial step in that direction.

Fourth, the distribution of statistical roles regarding travel and tourism among many federal agencies diminishes program focus and coordination. The inventory of federal programs identified twenty-six federal agencies with statistical roles of interest to the travel industry. Undoubtedly other agencies have programs of interest as well. Aside from the obligatory call for better coordination among all these players, there is a more pertinent concern regarding the need for mechanisms to permit these organizations to act jointly to share the design and expense of better data programs. This does not suggest a centralized role for one agency in travel and tourism data collection. The public and private needs for travel and tourism data are many and diverse. It is appropriate that many agencies are acting in this area. Many of the agencies producing data do so as a by-product of their administrative or management functions, such as the Visa Office, or the Forest Service. Their statistical efforts should be expanded—not contracted. But their goals and their efforts could be more closely harmonized to assure compatibility and efficiency.

Fifth, the role of state agencies working with the private sector needs to be more carefully considered with regard to data programs. The States are increasingly interested in economic development matters, and transportation, travel and tourism often play a major part in economic development plans. Private developers and other entrepreneurs look to the states for the information and assistance they need to make better investment plans. Opportunities and needs exist for improved travel data at the state level among tourism agencies and transportation departments. These agencies are beginning to recognize their shared interests. It is exceedingly difficult for these agencies to act alone or in concert with other states without an effective national scale mechanism for joint action. The Committee on Transportation Data and Information Systems of the National Academy of Sciences Transportation Research Board, which I chair, has formed sub-committees in the areas of State-wide Information Systems and Intercity Travel and Tourism. These groups held a joint session this summer and discovered many areas of common interest. The National Travel Survey is a major case in point. All States could benefit from such a survey. Both the State tourism agencies and transportation agencies would find it valuable, but it is infeasible for one state to do it alone, yet no mechanism is at hand that would permit a consortium of states, working with private and federal interests to jointly support a national survey.

Sixth, and finally, the private sector has a major role to play in providing for better data but cannot and should not do it alone. The tendency to believe that the private sector will treat data development as a major new market for entrepreneurial activity is attractive and convenient, especially when federal funds are severely limited, but has very real limitations. A key point here is that government continues to have important data needs in this area and will always be the major source of demand for such data. Thus government will pay for such data whether the data is generated by public agencies or private entities. But government demand as ill-formed as it now is will not prove to be a very attractive market for entrepreneurial activity.

My concern is more with federal recognition of its role in assuring that the data exist, rather than whether the data are produced by public or private means. Generally, multi-purpose data sets, with such a broad array of users are best suited to production by a general statistical agency. Moreover, there are limits to the degree to which government ought to be dependent on private sources for the definition and development of data that government needs to meet its mandated responsibilities.

SUMMARY

I stated at the outset of these remarks that our track record regarding adequate transportation, travel and tourism data has been dismal. I think back to the energy crises of 74 and 79, and the work of the National Transportation Policy Study Commission, on which I worked, under the leadership of Senator Pressler, as but two examples of areas of important public policy concern where the need for congressional action and oversight was thwarted by the lack of sound information. More

recently our limited ability to examine and monitor the effects of transportation deregulation and the consequences of various taxation proposals in relationship to the travel and tourism industry are examples of how lack of information impedes the policy process. We are talking of new fuel taxes, or import fees, and new customs and other fees without adequate knowledge of their prospective impact on our travel industry.

It is clear then that serious gaps exist in the statistics available about this industry and available to this industry, indicated by the materials provided by others here. Some progress is being made. If we accept the following as a structural system for describing our data needs: Characteristics of the Trip; characteristics of the Traveler; characteristics of the Transport System; characteristics of the Destination; and characteristics of the Companies Providing Services.

We will see that our progress has been made primarily in the last area—the characteristics of companies providing services in this industry. While this is useful it tends to be data *about* the travel industry rather than *for* it. Most of our real information needs lie in the other areas—those that describe travel characteristics and behavior—as in the National Travel Survey.

In summary, my intended message has been that our primary problem is not the filling of a data gap here or there, or the need for more funding for this program or that, as important as these things are. Our fundamental problems are institutional in nature. They have more to do with lack of recognition of the problem than with lack of funds. They have more to do with mixed signals and confusion about roles within government and between government and the private sector than with statistical issues. The harried career of the U.S. Travel and Tourism Administration is a symptom of that institutional confusion. Let me close by citing some of the areas needing policy resolution: Lack of an adequate statistical focus on travel and, tourism due to our failure to appreciate the economic value of the industry and other service industries as well; lack of recognition in the Executive Branch of its responsibility for better information; lack of appreciation of the beneficial economic value of better information and its support of current policy goals; and lack of the institutional mechanisms to jointly design, fund, and monitor large data programs needed by more than one user.

Senator PRESSLER. Thank you, I have read your testimony and I think your statement is excellent.

Let me direct a question to Doug, first of all. Please give specific examples of the kinds of policy decisions that were possible based on the 1977 National Travel Survey. Can similar decisions be made with such confidence in light of data collected today? Is there an observable negative impact on State, local, or private planning or development activities?

Mr. FRECHTLING. Perhaps I could supply for the record some instances just to save time, but to answer the final question: States are at a disadvantage in determining where best to put their scarce advertising dollars. The value of that survey, briefly, was to indicate the geographic markets which were most valuable for individual State advertising program. They miss these data right now.

Senator PRESSLER. Alan, what are the greatest limitations of private sector data collection in your opinion, funding, access to information, credibility?

Mr. PISARSKI. Will you accept all of the above? There is a great opportunity here I think for the private sector to play a role, but I think there are some very important concerns. The first is certainly credibility. I think this was mentioned earlier, about just the ability of people to be willing to respond and believe the responses.

Most private data is in fact public data. It is public data based. Travel surveys use the Census sample frames, they use the Census data for their source for determining their samples. They use the Bureau of Labor Statistics and the BEA's, fundamental data in order to do their work. It is this fundamental data that we are lacking in the travel area; the kinds of basic descriptions of travel

activity that the private people can then use as a base to do some of the more sophisticated things.

I think that is certainly one part of it.

The Federal Government is still the main user and will be the main user, and so any private vendor is going to have to recognize that a large part of his clientele is going to be an impoverished Federal sector that may not be able, because of one reason or another, to buy the sources as much as they would like to have them.

There is also the problem of whether the Federal Government ought to be in the position of being dependent upon a private source, particularly in an oversight situation. I think we go back to the energy crisis and things like that.

Senator PRESSLER. Yes, I read in your statement that you are for deregulation and you are against the Government being involved in certain things, but you made a good argument that in terms of accurate data that appears unbiased, the Government does have a role to play here. That, perhaps, is better than this overly simplified statement that somebody in the private sector is going to do it. Even if they do it, the statistics are questionable, or questioned and not as useful. I think that is a very important point.

Mr. PISARSKI. I have debated that with my friends at OMB and I haven't won that argument yet.

Senator PRESSLER. You may be right, but you may not have prevailed.

I must go now, as we are going to have a series of three or four votes. I have several more questions and I had hoped to have much more of a dialog today. I do want to thank our witnesses very much for their insights. They have done an excellent job.

I will be issuing a statement shortly, a Senate floor speech I will be giving as a result of this hearing. I think everybody has provided me with tools to provide some additional leadership in this area. It is what we might be tempted to call an obscure but terribly important area. In fact, it is not obscure at all; you cannot operate without good statistics and data.

That sounds dry as can be, but I am well aware that this subject is very important to the travel and tourism industry, and I will be pursuing it further. Also, I want to thank Senator Inouye for his questions and statement and participation.

And with that, I am going to close this hearing.

[Whereupon, at 4:35 p.m., the hearing was adjourned.]

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

NATIONAL TOUR ASSOCIATION, INC.,
Lexington, KY, September 3, 1986.

Hon. LARRY PRESSLER,
U.S. Senate,

Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRESSLER: We have reviewed your letter concerning efforts to address the need for comprehensive and reliable travel and tourism data. We applaud your efforts in this regard and stand ready to assist you in whatever way we can.

Your letter requested responses to several questions. Our responses are as follows:

1. What are the existing data gaps? Several significant gaps exist. One major area involves economic impact information. There is a clear consensus that travel and tourism carries with it a tremendous economic impact at the local, state and national levels. However, very little data exists which effectively measures that impact. In addition to the data, itself, we would also recommend the development of a standardized economic impact "model" which could be used by communities to measure travel and tourism's local impact on an ongoing basis.

A second area in need of attention is reliable information regarding the levels of travel and tourism activity over time. At the beginning of 1986, most forecasts indicated a boom year for domestic travel. Now, as we near the end of the third quarter of the year, we see mixed reports concerning travel and tourism activity. Herein lie two problems. The lack of data has led to planning and forecasting on a far too subjective basis. Secondly, the evaluation of forecasts and actual outcomes is made equally difficult by the lack of reliable data.

Data concerning the methods by which people travel is also deficient. Major public policies and industry planning and promotion often revolve around modes of travel. One example as relates to policy concerns the National Park Service. The NPS is presently undertaking a study to analyze motorcoach activity in the National Parks. The outcome of this study has budget and policy implications as the NPS considers the degree to which park facilities should be designed to accommodate motorcoach traffic. The NPS has indicated some difficulties regarding the availability of data for its study.

An example on the industry side of this issue involves NTA and the American Society of Travel Agents (ASTA). These organizations have initiated efforts to educate the members of both associations concerning the various advantages of increased group travel marketing by travel agents.

NTA can supply data concerning the growing demand by the public for group travel opportunities. Although this data is developed on an objective basis, industry developed data can carry with it a perception of bias, which in turn can undercut its effectiveness. The development of such data at the federal level carries with it the reality and the perception of objectivity. Also, such information could be much more comprehensive than that which we can develop.

Another area in which we feel information is needed involves travel and tourism taxation. Local and state governments sometimes view tourism as a "quick fix" for declining general revenue. Recently, Hawaii and New York City instituted major lodging tax increases. In both cases, revenue from these increases is not earmarked for tourism related purposes. It is quite conceivable that the continued reliance on travel and tourism as a major revenue source will eventually have a counter-productive effect on the public's willingness and ability to travel.

Reliable data is needed on the travel and tourism taxation practices of government at all levels and the current and projected effects of those practices.

Another information gap involves any number of issues which are adversely affecting all segments of private enterprise, but which have particular ramifications for travel and tourism. Two examples include the liability insurance crisis and unfair competition from nonprofit and governmental entities. Travel and tourism is a valuable resource for both the private and public sectors. As such, it is important to maintain an awareness and thorough understanding of those external factors which can have a deteriorating influence on that resource.

Finally, an information gap which transcends all those referenced above is that of comparability. Virtually every entity involved in travel and tourism produces some form of data. However, it is often very difficult to make effective use of much of this information since different methodologies and formats are used. The involvement of the Census Bureau would provide a major benefit in the development of consistent and comparable data.

2. What specific data items are needed, and for what purpose? (See No. 1 above.) The industry is in need of this type of information as a basic foundation for the development, promotion and operation of its services. In short, it is through this type of data that the industry can continue providing quality services which effectively address the needs and demands of America's traveling public. A purpose for public sector agencies and organizations is budget justification. Without valid and comprehensive information, there is no assurance that appropriate levels of public resources will be allocated to travel and tourism.

3. Who needs missing data? State, local and national policymakers and all segments of the travel and tourism industry.

4. What private industry sources exist? Virtually all segments the industry generate data relevant to their particular area of involvement. For example, NTA develops an annual "Group Tour and Charter Industry Economic Impact Research." Also, NTA completed a nationwide research project in 1986 which examined consumer attitudes and preferences regarding group travel and touring. The resulting study is entitled *Timely Research for Innovative Planning (T.R.I.P.) Report*.

In addition to these specific research projects, NTA generates a great deal of data on an ongoing basis. A primary example is NTA's *Tour Operator Directory* which contains a wide range of information on each of the approximately 500 tour operator members of NTA.

5. How would you assess the quality and availability of information from such sources? It has been our experience that industry produced information is usually of good quality and readily available. The three major limitations are that each industry segment quite naturally concentrates its information gathering and development activities on its own aspect of the industry. Secondly, as noted above, industry generated information may sometimes be perceived as less than totally objective. We would emphasize that this latter point is much more a matter of perception than reality. Finally, also noted earlier, much of the data being produced lacks comparability.

The involvement of the Census Bureau should serve to not only fill existing information voids, but can also bring together the somewhat fragmented information already generated by the industry. The Census Bureau efforts can also be helpful in verifying the validity of much of the industry data already in existence.

6. What portions of the travel and tourism industry should be given priority for inclusion in a survey and why? This is an extremely difficult question to answer, due to the multifaceted nature of travel and tourism. On the industry side there are the sellers of travel, transportation carriers, lodging and meal accommodations, sightseeing attractions, etc. Local, state and federal tourism agencies are also key players. To single any of these out and to say that one deserves a higher priority than others is probably not appropriate.

It is likely that within this point lies the answer to the question. In order for the data to be as comprehensive as possible and therefore to have maximum benefit, all segments of the industry and both the private and public sector should be included.

7. What negative impacts have you experienced from having no new National Travel Survey since 1977? Our ability to identify travel and tourism trends over time has been limited. Also, it is very important that we and all other segments of the industry be able to provide state legislators and members of Congress with accurate information concerning the overall impact of the industry and the particular impact of our segment of the industry. Our ability to do this has been limited by the unavailability of concise data.

Again, I want to express our sincere appreciation for your willingness to take on the challenging task of ensuring the development of valid and comprehensive travel and tourism data. As you are well aware, travel and tourism plays a major role in our economy and throughout our society. The maintenance and enhancement of these benefits are largely dependent on the base of knowledge and information available to us.

If we can be of assistance as you pursue these efforts, please do not hesitate to call on us.

Sincerely,

FRANCES "MIKIE" WALL, *President.*

INTERNATIONAL ASSOCIATION OF CONVENTION & VISITOR BUREAUS,
Champaign, ILL., September 22, 1986

Senator LARRY PRESSLER,

Chairman, Senate Subcommittee on Business, Trade & Tourism,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRESSLER: As president of the International Association of Convention and Visitor Bureau (IACVB), I welcome the opportunity to respond to the subcommittee's request for testimony regarding the necessity for a large scale periodic study of travel and tourism by the federal government. IACVB is comprised of 226 convention and visitor bureaus in the United States, as well as 33 bureaus in 17 other countries.

The following comments represent the unanimous sentiments of the IACVB board of directors, based on discussion of this issue during our fall board meeting, September 20, 1986.

Collectively, IACVB member bureaus invest more than \$250 million annually in destination marketing programs and represent 55,000 businesses that are beneficiaries of the industry. Therefore, it is vital that the information used by bureaus to develop marketing strategies and plan future activities be accurate, comprehensive and current.

Although IACVB collects information on convention delegate spending, there is currently no source that provides adequate data regarding national travel and tourism patterns. Due to the magnitude of the leisure travel industry, our association is not capable of undertaking such a study. Therefore, we believe greater federal involvement in the collection and dissemination of data on travel and tourism is imperative.

In the past, our members relied heavily on government surveys for this information. Since 1977, when the travel studies were discontinued, IACVB has found no alternative source capable of providing the same quality and quantity of data. Even if another group should undertake such a survey, we believe it is unlikely that it could ever match the scope of the government's survey (25,000 households). And it was the size of those earlier travel surveys, which allowed for breakdowns by state and by city, that made them invaluable to our members.

Due to the growing importance of tourism as a source of revenue for cities, IACVB feels strongly that the federal government should take immediate action to develop a new travel survey. Our bureaus need this data to develop sound marketing plans aimed at increasing tourism to the cities they represent.

The money spent by these visitors would directly benefit a variety of local businesses and enrich the economic fabric of the entire community. Expanding tourism creates new employment opportunities for white collar and blue collar workers in an industry that historically employs a high percentage of minority, female and semi-skilled workers.

However, without quality information regarding travel and tourism trends, our bureaus are severely handicapped in their efforts to increase tourism and activate this desirable chain of events. Therefore, should the decision be made to reinstate a periodic study of travel and tourism, IACVB would support the effort in every way. While we were not contacted in the past concerning the design of the survey, we would welcome the opportunity to provide input when a new survey is authorized.

Thank you for taking my sentiments and those of IACVB's board of directors into consideration as you explore this important issue.

Sincerely,

RICHARD M. KINNEY, *President.*

GREAT LAKES COMMISSION,
Ann Arbor, MI, October 17, 1986.

Ms. GERRI HALL,

Majority Staff, Business, Trade and Tourism Subcommittee,
Hart Senate Office Building, Washington, DC.

DEAR MS. HALL: I am forwarding a copy of the resolution¹ adopted by the Great Lakes Commission on October 3, 1986 calling for reinstatement of the National Travel Survey. During our telephone conversation on October 10, you indicated that the resolution could be submitted to the record of the October 1 meeting, Business, Trade and Tourism Subcommittee.

¹ The resolution was not reproducible.

As the resolution indicates, the Great Lakes Commission sees a need for improved data resources for the tourism and travel industry. The National Travel Survey is a method for providing this valuable information.

I look forward to receiving testimony from the hearing as we discussed, and expect that we will be involved in this on-going issue. Thank you for your attention.

Sincerely,

SUSAN DOLGIN.

AMERICAN SOCIETY OF TRAVEL AGENTS, INC.,
Washington, DC, November 4, 1986.

HON. LARRY PRESSLER,
U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: The American Society of Travel Agents, Inc. (ASTA), the world's largest travel association representing over 23,000 members in 129 countries, appreciates your efforts in holding hearings on the critical need of the travel and tourism industry for national planning and economic purposes.

The travel, recreation and tourism industries are extremely important to our economy and in order to properly determine how best to assist the industry in a productive growth pattern, we need accurate statistical measurements. The proposed new annual survey in this area covering 1987 calendar year activities will prove extremely beneficial to the travel and tourism industry and to both the federal and state governments in their tourism development plans.

ASTA feels the Census Bureau is uniquely qualified to develop the draft questionnaire including recommended priority data items. We strongly support you, Senator Pressler, and your Committee in your efforts to initiate this survey.

Please do not hesitate to call upon us. We are more than willing to provide you with any materials and assistance we can in this matter.

Sincerely,

RAY SHOCKLEY,
Executive Vice President and
Chief Operating Officer.

NEW YORK STATE DEPARTMENT OF COMMERCE,
Albany, NY, November 20, 1986.

HON. SAMUEL S. STRATTON,
U.S. Representative,
House Office Building, Washington, DC.

DEAR CONGRESSMAN STRATTON: The Trade and Tourism Subcommittee of the Senate Commerce Committee recently held hearings on the adequacy of the Federal Government's gathering and analysis of travel and tourism information. The State of New York and its localities have a continuing need for data on travel and tourism activity in the United States.

The counties and communities of New York State have committed millions of dollars to tourism promotion, marketing and advertising. In addition to these grass roots efforts, the State itself is actively engaged in travel promotion and tourism economic development this year as in years past. The level of our effort this year is \$15 million to finance the statewide I Love New York program, and a \$3 million State appropriation to support the local tourism matching funds program.

This state and local effort is inhibited from realizing the most efficient use of its marketing investment principally because of the unavailability of current information on the magnitude and characteristics of travel and tourism activity within the United States.

I urge you to support reinstitution of the National Travel Survey, periodically conducted by the Bureau of the Census of the U.S. Department of Commerce. The last survey by the Bureau was conducted in 1977. Changes in conditions that influence travel which have occurred since then, such as fluctuations in the price of gasoline, airline deregulation, and currency exchange rates, date the 1977 Survey so completely that it is virtually useless as an information base for designing marketing strategies.

Sincerely,

RONALD J. MOSS, Commissioner.

